Daily Report

Latin America

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FBIS-LAT-93-228 *30 November 1993*

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Cuba

Robaina Discusses Restructuring in Foreign Ministry

FL2911152193 Havana Radio Rebelde Network in Spanish 1255 GMT 29 Nov 93

[Text] On 28 November Foreign Minister Roberto Robaina held a news conference, more like a colloquy, with several reporters from various world news agencies and newspapers accredited in Havana. Robaina spoke on many issues brought up by the reporters, one of which was the future restructuring of the Cuban state apparatus involving the Foreign Ministry.

[Begin recording] [Robaina] We are restructuring not only because of the difficult Cuban economic situation, but also because for a long while we have been aware of the need to simplify the bodies of the state central administration, which may be too numerous now. It may be necessary to merge several and reshape others. That is the process in which we are engaged today.

Simply stated, our foreign service has the Foreign Ministry [Minrex] on one side; Foreign Trade on the other; the State Committee for Economic Cooperation, which emerged at a time when ties with other countries were different and should now undergo changes that we are studying; and the activity of the Bank.

For the Minrex, the main effect of the simplification, the restructuring that we are currently undertaking, is not being done in light of the one the country is undertaking. It was determined a long while back that many of our missions, mainly abroad, have had more personnel than are necessary; so we have conducted a simplification. It is also possible that we may open smaller offices in other places and reduce personnel in still others. This, above all, is not a matter of a simplification that might, I would say, minimize or take away from our work abroad, because at such a difficult time we need more effort abroad. However, such an effort does not always have to translate into more embassies. I believe that with the same amount of personnel abroad we can perfectly well fulfill and even cover more areas than today.

As you know, we have just established diplomatic ties with Colombia. Soon, you may be informed of the establishment of diplomatic ties with other parts of the world. All this means having to undertake new missions. We have proposed to the leadership of Cuba that we create these new missions with the same personnel we now have instead of asking for more personnel or a higher budget.

[Unidentified reporter] Where will those embassies be located?

[Robaina] I prefer that you wait for the announcement. [end recording]

Comments on Collective Leadership

FL2911153593 Havana Radio Rebelde Network in Spanish 1340 GMT 29 Nov 93

[Text] As promised, we have another segment of statements by Foreign Minister Roberto Robaina regarding comments made in Guyana and which were once again brought up yesterday by reporters accredited in Havana. Robaina spoke about the collective leadership that exists in Cuba:

[Begin Robaina recording] In Guyana, I was simply asked if the access of younger people to the government indicated to what degree the president was or was not willing to share power. I answered what I am tired of repeating everywhere I am asked: First, the access of younger people to the government, in a nation where half the population is less that 30 years old, is not news. It has to be seen as a natural process that young people, whom, ultimately, this project shaped and trained, are ready to assume responsibilities and that none should be particularly visible. One [I] may have the more public face, but there are many people in many sectors undertaking responsibilities much more important than those that I may be personally undertaking.

We have said and have been asked....[pauses] This all came about in relation to the issue of what will happen to Cuba once Fidel is no longer among us. I have categorically stated that Fidel's work transcends his physical presence and therefore, for a long time now, Fidel himself has been incorporating everyone into a work system where collective decisions and a collective spirit are the standard. Abroad, it is always said that Fidel is the one making decisions; but Fidel does not make personal decisions in this country. He does not even appoint ambassadors; ambassadors are appointed by the Council of State. This is what this collective leadership has taught us.

Some people ask if the fact that there are new people in this collective leadership means that those are the ones to follow [Castro]. In my opinion, trying to discern the person who may follow is to fail to understand the essence of our project. I have said that the essence of our project, no matter who follows, is above all determined by a very strong collective effort and a project of collective participation, like the one we have been taught, and where circumstances such as the one that gave rise to Fidel do not take place. Since circumstances such as the one that gave rise to Fidel do not recur, I do not believe another Fidel will emerge; it will be a Juan, Pedro, Maria, and Jose. No matter who it is, this country continues forward. As a matter of fact, Fidel has insisted that it work that way so that the participation of many shapes the future of all. This is what we truly want to achieve.

This is what I am talking about when I speak of a collective leadership where I am simply one more but where there are many people involved. We feel very pleased that Fidel is among those people. [end recording]

Official Says U.S. 'Manipulates' Human Rights Issues

FL2511152393 Havana Radio Progreso Network in Spanish 1200 GMT 25 Nov 93

[Text] Cuba has accused the United States of using the human rights issue, and through it the United Nations, as an instrument in its unilateral political aggression, pressure, and destabilization against the island. Juan Antonio Fernandez, Cuban representative before the Third Commission, which handles this problem, made this statement in response to a statement by the U.S. delegate who said that the Cuban Navy has built an aquatic Berlin Wall around the island and that it arrests or kills those who try to leave the country aboard unsafe vessels. Fernandez said: If we are talking about tearing down walls, then the United States should begin by tearing down its hostile and aggressive policy wall. The United States manipulates everything, including immigration, the granting of visas, and even human rights, to suit its own purposes.

ANPP Sessions To Resume 27 Dec

FL2611142693 Havana Radio Progreso Network in Spanish 1200 GMT 26 Nov 93

[Text] Ricardo Alarcon de Quesada, president of the National Assembly of the People's Government [ANPP], has summoned the deputies to the second period of ordinary meetings of the ANPP's fourth legislative session. The meetings will begin at 0900 on 27 December.

CTC Head Discusses Self-Employment, Rumored Subsidy Cuts

FL2611234293 Havana Radio Rebelde Network in Spanish 1800 GMT 26 Nov 93

[Text] Pedro Ross Leal, secretary general of the Cuban Workers Federation [CTC], made statements to journalist Mariela Diaz regarding rumors about workers who, because of problems having nothing to do with their availability, are today receiving a percentage of their salaries.

[Begin recording] [Diaz] I am going to talk about comments that have reached me having to do with those workers who are getting 70 percent of their salaries. People say that as of January 1994, this percentage of the subsidy is going to be eliminated. How much truth is there in this?

[Ross] People should not go by what others say, but rather by the guidance they are given, by what is decided upon. And it has been said that no one will be abandoned.

In each branch of production, measures are being taken and adopted. These measures will always be discussed, and the union that represents the workers involved will always be present. Those workers are not alone, and therefore, what I can tell you is: I don't know why people are saying that. Nobody has discussed that matter with us. I think that at the end of the year, some of these topics will be discussed at the National Assembly; people will have to wait.

[Diaz] I would like for you to tell me very briefly how the special period situation has influenced the way the workers organizations function.

[Ross] Just look at how it has influenced the entire life of the nation. The special period has affected all the nation's work groups, and therefore, this implies that our union organizations, which are the work groups...[changes thought] one must bear in mind that the workers organization is the work group itself.

Now, if you are talking about the institution as an institution, as our system, our basic system, our pillars—which are the work groups—are affected at the base level, as our institutions are affected. We are struggling to prevent the dispersing of those work groups. But what we least have, right now, at this moment, is people at home. You talked about those who are at home. As a matter of fact, in the last few months, we have been able to note that there was even a reduction in the number of people who were at home—because they have found another place to work, another job. A new source of employment has appeared: self-employment. Many workers are availing themselves of this source of employment, so as to put their talent to work to solve their buying power problems, and, therefore, also to solve the problem of our population.

[Diaz] But then you admit that today the unions are functioning well or badly?

[Ross] What do you mean, I admit? I have not told you that they function either well or badly! There are some unions that function well, some in a so-so manner, and some that function badly. There are 78,000 union organizations in this country!

[Diaz] Pedro Ross affirmed that the unions at any work site have no reason to meddle in the decision of certain workers to become self-employed. The workers' representatives at each factory do all they can not to break up worker groups; but the option to be self-employed is legal, and every worker can request this option. [end recording]

UN Drug Control Group To Draft Agreement

FL2411145793 Havana Radio Progreso Network in Spanish 1200 GMT 24 Nov 93

[Text] A delegation from the UN program for international drug control traveled to Cuba on a working visit to formulate a cooperation agreement based on Cuba's pilot program for the fight against drugs.

(Maria Eblaut), head of the program's Caribbean unit, explained that they were able to verify the Cuban Government's possibilities in matters of drug control and to identify problems for the purpose of setting up an

assistance program in the sphere for which the General Customs Office and the Ministries of Public Health and the Interior are responsible. The UN official said: Any money invested in Cuba will have good results.

On the other hand, Cuban Justice Minister Carlos Amat stated that the Cuban Government has always confronted this evil with a sense of international cooperation and moral commitment toward mankind.

India's Salman Khurshid Arrives in Havana 28 Nov

FL2911131193 Havana Radio Progreso Network in Spanish 1230 GMT 29 Nov 93

[Text] Salman Khurshid, India's minister of state for external affairs, has expressed support toward increasing bilateral ties between India and Cuba. Khurshid and his delegation arrived in Havana on 28 November at the invitation of Foreign Minister Roberto Robaina. Khurshid's visit to Cuba is part of a trip to several Latin American and Caribbean countries. In Cuba, the Indian official will fulfill a busy schedule which includes meetings with Cuban Government officials.

Meets Foreign Minister, Others

FL3011025293 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Nov 93

[Text] Official talks between Salman Khurshid, India's minister of state for external affairs, and Cuban Foreign Minister Roberto Robaina began today at the Foreign Ministry. Ilya Sardinas has the details:

[Sardinas] Upon welcoming his Indian counterpart, Foreign Minister Roberto Robaina expressed his satisfaction with this visit, which will allow the officials to expand relations between the two countries and explore the two countries' problems. The Indian minister of state thanked Robaina for his words and reiterated his gratitude for Cuba's gesture of solidarity toward Indian earthquake victims, which is evidence of the special feelings the Cuban Government has toward the people of India; the minister asked that his people's gratitude be conveyed to Commander in Chief Fidel Castro. He then said that these talks entail a great responsibility for both foreign ministries, since they will be carrying forward the relations established by two great revolutionaries from the two countries.

[Begin Khurshid recording, in English with passage-by-passage translation into Spanish] I hope that in the coming years, we will be able to establish development and trade relations that will (?overcome) all obstacles and everything that we might receive from the wave of [words indistinct].

We also share the sea, but many times we find ourselves very far from it. For this reason, one of the subjects we would like to discuss today is cooperation in the maritime sphere. [end recording]

Today Foreign Minister Khurshid will meet with Politburo member Carlos Lage, Foreign Trade Minister Ricardo Cabrisas, and Ernesto Melendez, who is minister president of the State Committee for Economic Cooperation.

[Havana Tele Rebelde and Cuba Vision Networks in Spanish at 0100 GMT on 30 November add: "The activities in Cuba of Indian Minister of State for External Affairs Salman Khurshid continued today. The Indian delegation arrived in Havana yesterday as part of a tour of Latin America and the Caribbean, and in response to an invitation from Cuban Foreign Minister Roberto Robaina, who welcomed the delegation at the Cuban Foreign Ministry.

"Upon receiving the Indian minister, Robaina expressed to Khurshid his satisfaction with the minister's visit to Cuba, which, although brief, will permit the two nations to grow closer.

"The Indian minister expressed his thanks for the hospitality and said his government is interested in expanding bilateral cooperation.

"The Indian delegation was also received by Foreign Trade Minister Ricardo Cabrisas and Ernesto Melendez, minister president of the State Committee for Economic Cooperation. The delegation will return to India tonight."]

Roundup of Economic Activity 25-29 Nov

FL2911131393

[Editorial Report] The following is a compilation of fileworthy reports on economic developments in Cuba carried on Havana radio and television in Spanish between 25 and 29 November.

Radio Rebelde at 1800 GMT on 25 November reports that after a week of round-the-clock effort, the workers of the Matanzas enterprise, Rayo-Nitro, started up the plant which makes complex fertilizers. The plant is essential to delivering, before 31 December, the 16,000 tons of fertilizer needed for the current, nationwide potato-planting campaign. Workers are also building a heat-resistant brick factory in Guines Municipality, Havana Province, that will save the nation over $4 million per year in imports. The bricks are for industrial use, although the factory will also eventually make heat-resistant bricks for ordinary uses.

Radio Reloj at 2040 GMT on 25 November reports that Las Tunas Province has planted 750 caballerias of sugarcane this cold season. The remaining 350 caballerias of the plan are ready for planting.

Radio Reloj at 2048 GMT on 25 November reports that as part of the development of the energy program, the materials industry has been working this year at replacing the fuel oil with Cuban crude in cement production. The four wet-process plants are already using Cuban crude, in keeping with available resources,

and technicians are now working at introducing its use into two dry-process plants, the (Rene Arcae) in Mariel and the Carlos Marx in Cienfuegos. Up to August, Havana industry had burned 2,000 tons of improved crude, as replacement for fuel oil, with satisfactory results.

Cuba Vision Network at 2320 GMT on 25 November reports that in Pinar del Rio Province, over 2,800 pieces of agricultural equipment belonging to Ministry of Agriculture enterprises have been replaced by animal-powered equipment this year. This was learned at the province's third ox-team drivers' meeting. By the end of October, 13,200 caballerias of conventional land had been prepared using ox teams, an increase of 8,500 caballerias over the same period in 1992. Oxen were also used to transport materials. In the past two months, 80 percent of the province's land preparation was done using animal-powered equipment.

Cuba Vision Network at 0100 GMT on 26 November reports that Ciego de Avila Province oilworkers have met their extraction plan for the year of 55,000 tons of oil. This is the first group in the country to reach their goal. The workers of the oil drilling and extraction unit in Majagua Municipality have also met their plan, having drilled over 13,000 meters. Workers expect to be able to extract another 7,000 tons of oil before the end of 1993.

In the same newscast, Cuba Vision announces that the KTP cane-combine factory, 60th Anniversary of the October Revolution, in Holguin has finished building the first five Cuban-made rice harvesters. This machine is the outcome of the first Cuban prototype successfully tested three years ago. Building the machines saves Cuba, in hard currency, about 30 percent of the cost of the machine. The motor and other technological mechanisms of the Cubar-90 are Italian, but it has a high percentage of parts built in Cuba. "Thirty rice harvesters will be finished before the end of December and a first series of 60 will be completed next year."

Radio Reloj at 2053 GMT on 26 November reports that 25 British tourists are to arrive in Havana on 26 November to begin a bicycle tour of several provinces. A Cubatur official said the tourists will be accompanied by two cameramen from Europe's Television Channel 4, with a view to promoting this activity in Europe. He added that 14 Dutchmen are expected to arrive on 17 December for the same purpose, tourism by bicycle.

Radio Reloj at 2039 GMT on 28 November reports that Guira de Melena Municipality, Havana Province, will begin planting potatoes on 29 November. It will plant about the same amount as last year. Because the municipality is behind schedule, it will be difficult to plant the 70 caballerias during the optimum period, which is up to 25 December. Nevertheless, the municipality is going to try, with the help of the Basic Cooperative Production Units, the Youth Labor Army Granges, and the small farmer cooperatives.

Cuba Vision Network at 0100 GMT on 29 November reports that the Ministry of Interior, Minint, is making a big effort in the field of nutrition and recently held a forum demonstrating that traditional foodstuffs can be used in nontraditional ways. Minint's Directorate of Special Operations is producing on a commercial scale the highly nutritious oyster mushroom, which is greatly prized in other countries. When the mushrooms begin to sprout after a 45- to 60-day production process, they can be harvested daily for months. This mushroom could be an interesting export product because one ton sells for between $3,500 and $7,000 on the world market.

TRABAJADORES Editorial Views Downsizing

FL3011013093 Havana Radio Rebelde Network in Spanish 1800 GMT 29 Nov 93

["Text" of TRABAJADORES editorial published 29 November—read by unidentified announcers]

[Text] The right to work is one of the highest banners of the Revolution. Our society could not recognize itself if ever it were to view with indifference the existence of a single person unable to find a job. The revolutionary desire to provide a job for every citizen goes beyond guaranteeing a means of subsistence to every able person. For our society there is not, nor can there be, anything more important than the right to dignity attained from the condition of workers. However, this aspiration would lack concrete meaning if we do not keep in mind present realities and if we do not know how to create a society whose economy progresses within those realities to the point that it is able to create jobs in accordance with social needs.

In other words, employment cannot be seen as the exclusive result of societal will. A job is, first, an economic consequence, as well as a social need. The economy is what ultimately gives this right its reality. We workers, because we live this experience from day to day, are the first to recognize the productive, economic, and even moral damage that results from having two workers where only one is needed. The phenomenon of bloated personnel rosters relates to one trend highly criticized in the process of perfecting that aimed at ending this practice.

Economists affirm that [passage indistinct] in 1990, part of the growth of the economically active population, which totaled about 600,000 people, was absorbed inefficiently. Under the impact the Cuban economy is experiencing in the current period following the abrupt disappearance of its traditional markets, the restrengthening of the blockade, and the dramatic shortage of production supplies, it is easy to imagine how much more the level of inefficient employment has risen among the population that has remained at its work posts.

On the other hand, it is estimated that in the current 5-year period the number of people meeting the age and conditions for work will be close to 300,000 people. The

effect caused in this sense by the phenomenon of the halting or downsizing of certain activities has been ameliorated with social security measures whose humanistic and solidarity goals deserve respect and approval but that are not designed to solve the main problem, which is the lack of true sources of employment.

In this manner, Cuban society is confronting two aspects of the same dire problem. On the one hand, we have workers who do not work hard enough; on the other hand, there is a growing mass of people reaching working age and for whom, particularly according to the prevailing patterns of selecting occupations, there is an insufficient supply of jobs.

In order to solve these problems it is imperative to make progress in reinserting the Cuban economy into the global economy and in reorganizing our domestic efforts toward attaining higher efficiency: goals which, obviously, shape each other. However, we cannot even think about an efficient economy without first creating the conditions for a sustained increase in work productivity; in order to do this we have to reorganize the personnel at every work center, beginning with those involved in the generation of hard currencies, the substitution of imports, and those who produce priority goods for the domestic market. The efficiency attained in these front lines will have a multiplying effect on the entire economy and on the creation or reestablishment of other sources of employment.

In the tourism sector, for example, a sector that must set standards of efficiency and optimum use of the work force, growth is projected that will not only provide jobs for hundreds of thousands of construction workers but will also require extremely diverse production and services and therefore open [passage indistinct]. The sugar by-products industry is another activity capable of generating new jobs in the future.

There are also, even under the present economic conditions, unexploited job sources, particularly in the sector of regional administration and from which numerous possibilities for employment will emerge in proportion to the way local initiatives bloom. Likewise, the prospective development of self-employment will, in the near future, guarantee the socially useful employment of an important number of workers.

To sum up: The unions' position vis-a-vis the complex problem of how to make personnel rolls more rational and how to deal with the excess labor force can be defined by the reconciling—which is possible—of two factors that in other societies are usually presented as being mutually exclusive: economic efficiency and social justice. Thus, we support the realignment of the work force that we need, on the basis of a dynamic of gradualness that will tend to avoid traumatic consequences to the income of working families, as has always been the Revolution's policy.

As representatives of the workers, we shoulder the duty of participating decisively in any proceedings involving redistribution of the labor force.

We promise to struggle on all fronts to have every step aimed at revitalizing the economy to foster the recovery of jobs or the creation of new, economically justified jobs.

We are in favor of all initiatives aimed at organizing classes to train and retrain people, courses that will maintain or develop the abilities of workers temporarily removed from actual work.

We think the policy of paying subsidies to excess workers should in the future be looked at more selectively, thinking above all of those persons truly unable to take on other work or ways of making a living and whose prior attitude toward their work duties justifies the support of society.

We also urge ending the custom of adapting the job in every way to an individual's preferences without considering that the individual, too, can and should adjust to the requirements of the occupation that is available to him. We reiterate to all the nation's union members that regarding any streamlining, it is our duty to defend the best right, based on each person's fitness for occupying a position, and that any and all other considerations are secondary. We sincerely think that under no circumstances will our administrators be tempted to manipulate the employment problem as an instrument so as to aggrandize their power to make demands; however, it is our place to point out our position of vigilance in this regard, so that, when the time comes, nothing of the kind can prosper in a single one of the nation's work centers.

We agree with the idea that the social problems cropping up have economic solutions that would not be feasible should we fail to confront, decisively and bravely, any difficulties that may temporarily arise from any measures that may be taken.

We are sure that the workers understand better than anyone the idiom of reality, the language of struggle and useful sacrifice, the frank incentive that the truth constitutes.

Cienfuegos Power Plant Maintenance Finished

FL3011001593 Havana Radio Reloj Network in Spanish 2048 GMT 29 Nov 93

[Text] The partial, expanded maintenance work done to the 158 megawatt Block No. 4—the second most powerful generating block at the Carlos Manuel de Cespedes Thermoelectric Power Plant in Cienfuegos—has ended successfully. The efficiency of the work, most of which was done to the boilers, made it possible for the work group to finish several days earlier than expected. The plant turbine, generator, and auxiliary equipment underwent maintenance; in addition, the two seawater canals were cleaned—(?instead of just) one, as had been

planned—with active participation on the part of several of the province's organizations.

The mechanism has now gone on-line with no difficulties and the maintenance work for the year has ended at this power plant, which has held National Vanguard status for 15 consecutive years.

Porcine Cholera Detected in Havana, Pinar del Rio

FL2611231293 Havana Radio Rebelde Network in Spanish 1255 GMT 26 Nov 93

[Text] Porcine cholera, a viral pig disease not observed in Cuba since 1974, has been detected in Pinar del Rio and Havana Provinces, while Havana City, Matanzas, and Isle of Youth have been declared threatened areas. The transportation of pigs within and between provinces is not recommended.

Alternative Energy Sources Discussed

FL2611190493 Havana Radio Rebelde Network in Spanish 1700 GMT 25 Nov 93

[Interview with Fernando Davalos, journalist and editor in chief of CONTACTO magazine, by "Straight Talk" program host Carlos Santana Ojeda—live]

[Text] [Santana] The fuel shortage and its dramatic effects on the country's economy and life in general has imposed on us the urgent need of using alternative energy sources. But are these really alternatives, or a dream? This is the first question I will ask Fernando Davalos, journalist and editor in chief of CONTACTO, the Cuban businessman's magazine.

[Davalos] It is no dream. It is a need. To solve its energy problems Cuba cannot think only about oil because, first, Cuba does not have large amounts of oil. We must seek alternative sources, and we have those sources.

[Santana] What are Cuba's alternative sources of energy?

[Davalos] First let me tell you that there is a very coherent plan underway aimed at making an inventory, enumerating, and giving best use to all those things that could represent a savings or an alternative other than oil. For example, we know that the sugar industry is a very important source of energy. Let us talk about sugarcane straw—we have lots of that. We also have sugarcane husks. We can also think about using the wind. There are areas of Cuba where there is strong wind. There is some talk about building the first wind power station. I believe—no, I mean it has been publicly announced that it will be built in Santa Cruz del Norte. It will have huge blades. Several countries around the world have these wind power stations. We are going to build our first one in Santa Cruz del Norte. We can also use manure to produce energy.

[Santana] Biogas.

[Davalos] That is correct, biogas. This could represent a local solution to the problem. Using it here, there, in this or that hamlet, in this or that house.

[Santana] Cuban oil is also a solution. The sun can also be an alternative.

[Davalos] The sun, wind power, especially in those areas where the sun punishes. In the eastern areas of the country they are using wind power.

[Santana] That all sounds great, but I truly believe there is no real policy; I believe there are still some people as well as some of our country's leaders who have not taken this problem seriously. You are talking about all this, the sun, wind power....

[Davalos interrupts] I failed to mention a very important one: hydroelectric power.

[Santana] That is right; the Toa-Duaba.

[Davalos] Not only the Toa-Duaba. Hydroelectric energy production in Cuba is not exclusive to Toa-Duaba and Habanilla. These are the two largest hydroelectric plants in Cuba. Excuse me, we do not have two. We have one, Habanilla, but soon we will have another one. Here in Cuba we can produce energy wherever water is stored; in every dam, in every reservoir. Perhaps these sites cannot produce large quantities of electricity, but in small quantities that can supply electricity to this or that place. Every stream that rushes down the mountain with some degree of strength can generate electricity. There is talk about a great big dam to be built in the Baracoa area. Two big rivers flow into this area.

[Santana] What I was talking about is that there does not seem to be an awareness of how all these energy sources can be used. What do you think about that?

[Davalos] There is no awareness. In the past this was not a problem; however, today it is. Today we are feeling the effects of the problem; therefore, we must do something quickly to improve our energy production.

[Santana] When will that be? We have been experiencing an energy crisis for more than two years.

[Davalos] It takes time. It cannot be done from one day to the next. We must learn that the oil that flowed through a pipeline in large quantities is not the only source of energy. We must learn that we can produce electricity from other sources. Here in Cuba we have more than 200 big dams. Turbines can be installed at those dams and electricity produced. Until now, this had never entered our minds. However, we are thinking about this now and there is quite a coherent program underway.

For example, you mentioned livestock, biogas.

[Santana] Yes, biogas.

[Davalos] In the past biogas was not used. All we used it for was to mix it with dirt. However, there are places in

Cuba today where this is used for heat. People cook with this and they also get their light from it. We have made some progress. I do not believe we could describe ourselves as completely lacking in knowledge; we do not know that much about this, but we are making some progress.

[Santana] We are here with Fernando Davalos, editor in chief of CONTACTO magazine, the Cuban businessman's magazine. He is talking about the use of [25-second break in reception]

[Davalos; in progress] ...so that the sugar industry, the sugar mills, provide electricity from their surplus steam. I do not think this will guarantee that we will get all the electricity we need, but it is something; we would be making some progress.

The good, the great news is that work on the Toa-Duaba hydroelectric plant is beginning. That is great news. It will not be ready tomorrow, tomorrow afternoon, but it is good news.

[Santana] But exploitation of these alternative sources is of a more local, territorial nature. Am I correct?

[Davalos] The idea is to link the mini-hydroelectric plants, the micro-hydroelectric plants, the small hydroelectric plants, and the largest of all—the Toa-Duaba hydroelectric plant—to the national network. However, this is not always possible. For example, you may have a stream rushing down the Sierra Maestra. That stream provides a specific hamlet with electricity. If it can be done, the system is extended and another hamlet serviced. Little by little, several hamlets are included in the network. But the large hydroelectric plants, like the Toa-Duaba hydroelectric plant, will be linked into the national network.

[Santana] When?

[Davalos] In the next few years. I cannot say when, perhaps two or three years.

[Santana] But construction continues.

[Davalos] Yes. They are just starting construction. They are just now clearing out the area for the dam, they are going to begin to build the tunnels. The Toa River must be diverted. A curtain must be built. It will be a dam that will hold 2 billion cubic meters of water. The largest dam in Cuba, the Zaza Dam, holds 1.020 billion cubic meters of water. The Toa River dam will hold twice that amount.

[Santana] Davalos, how much electricity will the Toa-Duaba hydroelectric plant provide?

[Davalos] Turbines that can produce 360,000 kilowatts will be installed there. However, those turbines will not be operating on a permanent basis because water is also a scarce resource on an island like ours. The plant will be operational during peak hours. In other words, it will be turned on when the large, fuel-consuming plants are needed. The turbines will be turned on only during peak hours. That is the way Habanilla operates.

We have a hydroelectric plant in Cienfuegos, the Habanilla Hydroelectric Plant. That plant was built on the Jibacoa reservoir. It is a beautiful place, typical of Cuba's natural beauty. This plant is turned on only during peak hours. Why is it done this way? Because these plants consume too much fuel per kilowatt hour generated. There are plants here that consume somewhere between 270 and 280 grams per kilowatt hour generated. If we had more hydroelectric plants like Habanilla, for example, the Toa-Duaba plant, we could avoid starting up the less efficient plants.

[Santana] But these plans cannot be really developed in Cuba because we do not have large rivers that make something like this possible.

[Davalos] We do not have Siberian rivers, like those rivers we saw in the USSR. We do not have a Nile River to build an Aswan Dam. We do not have snow on our mountain peaks; snow is also a source for generating electricity in some countries. However, we do have many small rivers and in the past we believed they could not be used because we could not build an Aswan Dam. But you do not need an Aswan Dam or a Siberian river to produce electricity. We can produce much electricity in many small areas. This is already being done. And we should be clear about this; we should talk about it. We do not have a huge navigable river that can be dammed, rivers like you see in today's Russia, Egypt, and other countries of the world. However, we do have many small rivers that can generate electricity. A little bit here, a little bit there; add it up and it can represent an important amount.

[Santana] I have heard that the country's top leadership is giving the Toa-Duaba hydroelectric plant priority status. Economically speaking, can this be justified?

[Davalos] Indeed. It is an old dream. For years, dozens of years, people have been dreaming of this. I have read that for 50, 60, 70 years, there has been talk of building this dam. It is the largest river we have and it is located in the area that receives the most rainfall on the island. The problem is that there is no agriculture in that area; there are no large plains there. It is mountainous. It has been a dream for years. Once this plant is ready, it will strengthen the power system, especially in the eastern sectors of Cuba.

[Santana] I am told that the DPRK will provide the technology and equipment. I want to ask you something.

[Davalos] They have helped us study the options; there were many combinations that could be used: where the curtain should be built, what area should be dammed. Now they have reached the conclusion that the two rivers—the Toa and the Duaba rivers—could be used. There is not that much distance between these two rivers. Those rivers are in the northern area of Baracoa. If you will remember, Maceo sailed from Duaba.

[Santana] Will the DPRK supply the technology and equipment?

[Davalos] I do not know.

[Santana] Then I cannot ask you my next question. I was going to ask what kind of guarantee we would get from the fact that modern and efficient technology would be used.

[Davalos] We have had our experiences in this field. In the past we had to pay a high price because we were not careful. The technology will be the best we can get. Also, we are more mechanically inclined now. I would like to tell you, and this is the truth, to implement such a huge hydroelectric plan as the one we are beginning to develop, it has been necessary to ask for the help of the Cuban machine industry. It is active in the planning and technical stages as well as in the production of turbines and other equipment. The Santa Clara Machinery Plant plays a key role in Cuba's hydroelectric plan. We must give them credit for that. But not only that machinery plant is involved. Other Cuban factories are participating. I must add that these are all Cuban factories. We are not talking about purchasing the equipment abroad. We are producing a large amount of that equipment.

[Santana] Now that we are talking about the need to take advantage of our alternative energy sources I would like to ask you: What is the biggest obstacle we face? Money?

[Davalos] No. The problem is not only financial, but also material. The country does not have the money to cover expenses, but it does have other things such as political will to implement the plan because it will solve a problem that needs solving. Cuba also has hundreds, thousands of highly qualified as well as qualified technicians in the fields of mechanics and hydraulics. We also have the work done by the revolution. The country has 218 large dams and more than 600 microdams. We already have the most difficult task behind us, that is, the dams. All that has to be done is to install a turbine and we have electricity. But there is more. We have many mountain streams that we can use. The country has already decided to carry out this task.

[Santana] We have about a minute before we must end the program. Is this a solution within our possibilities?

[Davalos] Of course it is. We are not dreaming. It depends on our capacity to do it, on our determination. It is great news to know that we are thinking, in realistic terms, about how to solve the problems. Unfortunately, the solution is not around the corner, but we are working toward this.

Potential for Pharmaceutical Industry Viewed

FL2911000793 Havana Radio Rebelde Network in Spanish 1700 GMT 26 Nov 93

[Interview with JUVENTUD REBELDE journalist Oswaldo Rodriguez by "Straight Talk" program host Carlos Santana Ojeda—live]

[Text] [Santana] Many people, here as well as abroad, cannot believe that an underdeveloped country like Cuba has undertaken the task of establishing a biotechnology industry, especially in the field of pharmaceuticals. It is a task that wherever undertaken demands huge investment and highly qualified personnel. We would then have to ask ourselves: What allows us to undertake this task? Did we set too high a goal for ourselves? Those are my first two questions for journalist Oswaldo Rodriguez of JUVENTUD REBELDE here on Straight Talk.

[Rodriguez] Those are tough questions you are asking.

[Santana] That's just the beginning.

[Rodriguez] The truth is that we have the potential to produce medicine, vaccines, and other biotechnology and pharmaceutical products. I do not believe we have set unattainable goals. Cuba's potential in the field of science, the intellectual potential Cuba has created, is sufficient to attain the goal. We must go step by step, making noteworthy progress and profit. Financially speaking we will make a profit with exports. Here in Cuba we have been successful in improving public health.

Recently I was talking to some comrades. We were saying that in Cuba we have been able to control the spread of AIDS, and this has been possible thanks to Cuban science. In Cuba we destroyed approximately 8 million bottles of blood when it was discovered that the disease was not spread by sexual contact alone, when it was discovered that contaminated blood could also spread the disease. As of that moment checking for the disease was begun in Cuba with the use of the SUMA, the Ultra-Micro Analytic System. The SUMA enables a quick search for the disease. This is tremendous help for the country. If all we achieved was improving public health in Cuba, this would be a great achievement.

There is no doubt that today the whole world knows that the possibility of marketing scientific results has become a very large betting market and many countries are gambling on that market. There are many optimists who believe we will make a profit from our achievements; others are not so sure.

I would like to give you some statistics. It is always good to study statistics. In 1977 there was a $43 billion pharmaceutical market. In 1990 there was a $172 billion market. Undoubtedly, the United States is the largest pharmaceutical producer. Many years ago they saw that this would be a very profitable business and they exploited it. Between 1979 and 1985, 775 new pharmaceutical products were put on the market; 775 new products. This is proof that there are many scientists in the world researching new pharmaceutical products. This is a profitable business.

[Santana] That is all fine. But many people believe that we made a mistake when we undertook the task of building a biotechnology industry.

[Rodriguez] There will always be pessimists. There is also geographic fatalism. We have never been able to shake that geographic fatalism of being a small country, of being an island. Many believe that an island cannot set itself big goals, that it must always live in poverty and misery and that it must always be dependent. However, I do not believe we made a mistake. I believe that this is one of the strategies, not the strategy as some believe. Some people, and I am not referring to the press, are saying that this is the strategy and that Cuba depends on this industry. I do not believe this; however, I do believe that it is a promising strategy. When we refer to Cuba's economic strategy we are, above all, referring to our sugar industry. Tourism, the nickel industry, and science are also part of the economic strategy. Science....

[Santana interrupts] Will the pharmaceutical industry surpass our sugar and tourism industries?

[Rodriguez] Surpass it is not the word. If we can break into that market, the pharmaceutical industry would leave the sugar industry way behind.

[Santana] Here with us is JUVENTUD REBELDE journalist Oswaldo Rodriguez and we talking about the biotechnology industry, particularly, the pharmaceutical industry.

Let us be practical. From the scientific viewpoint, what have we achieved?

[Rodriguez] A tremendous number of new pharmaceuticals. Here in Cuba we are making pharmaceuticals that we no longer must import. In producing pharmaceuticals, one must think about production for domestic use and production for export purposes. I once attended a meeting of scientists. As far as they are concerned, the domestic market is one thing and the foreign market, another. As far as scientists are concerned, the domestic market ensures protection of public health and the foreign market ensures profit.

There is a list of new products, products that have penetrated the market. These are the antimeningocci and Hepatits-B vaccines. The PPG is one of the products around over which much propaganda was made. PPG is used to keep cholesterol levels within normal. It also helps improve other conditions; it revitalizes body functions, including sexual function. However, this is not what it was created for. We can also list the monochromal antibodies, the epidermic growth factor, interferon, enzymes, and diagnostic systems based on proteins. There are also many other products we are working on, but you must not forget that it takes approximately eight years to test a medicine. The Cubans are trying to cut down this time, but not to less than eight years. Every single pharmaceutical product must be tested, first in the laboratory, then on animals. For a product to be approved for use on humans, it must first undergo many tests. It must be chemically analyzed and subjected to millions of other tests.

[Santana] Can the investments be justified?

[Rodriguez] Financially?

[Santana] Yes. Heavy investment has been made. Much money has been spent.

[Rodriguez] No, it has yet to cover the investment made. We will not see any profit in the short term. We will see profit in the medium and long term. But I will give you more statistics. I came prepared with lots of statistics. I knew you were going to bombard me with all these questions.

Merck, a pharmaceutical company, is among the 100 largest pharmaceutical companies. It ranks eighth in the world. In profits alone, Merck....

[Santana] It is a large multinational company.

[Rodriguez] Yes, it is. In one year Merck made $15.256 billion in profit. It has huge installations. But let us not think about competing with Merck. Let us just think that we can produce one-third or even one-fifth of what Merck produces. Can you imagine Cuba's biotechnology industry making a $3 billion profit a year?

[Santana] That is where I am headed. I am concerned about something. We know that the large multinational pharmaceutical companies control the market. How can Cuba compete against that power? Would that not be our Achilles' heel?

[Rodriguez] I would not describe it as our Achilles' heel. Today we face a difficult situation. Cuba is currently facing the great challenge of getting access to the markets. The markets are saturated. For example, getting access to the developed countries' markets is impossible under the current situation, not because of the quality of our products but because we cannot compete in those markets. We lack advertising and presentation. The way we present our products is poor. Our packaging and labeling need much work. But we do have many possibilities in the underdeveloped world. We cannot make a big profit, but we can sell our products. At this moment we must look to associate ourselves with other companies. We cannot think that the Cubans can do it by themselves. We must associate ourselves with a large consortium that commands advertising and markets. We must look for a consortium that will give us a chance to participate in the market. In exchange, they would also profit from the association. This means that we would not be receiving 100 percent of the profit, but we could get perhaps 50 percent of the profit. We must not be too greedy to get it all when right now we are getting practically nothing. That is a strategy that, according to what I have heard, we are working on.

[Santana] All right, going on to another (?view) of this subject that we are analyzing: As you explained, Cuba is capable of producing medicines that Cuban biotechnology can be proud of. However, Oswaldo, there is a shortage in Cuba of not a few commonly used medicines these days. Do you not find this, let us say, ironic?

[Rodriguez] Of course. Destiny contains tremendous ironies. But I have been able to find out about some of these things, and in order to produce all the medicines that Cuba consumes, we would need not only the raw materials—which are imported—but also installations, certain kinds of which do not exist in Cuba. A medicine or biotechnological laboratory is not a place of big pieces of equipment. It is a place which, upon entering, you realize is a place for scientists, a place where very important things are being done, where there is a certain preservation of the atmosphere and extremely rigid sanitary measures—but not where you are necessarily going to find huge or highly sophisticated pieces of equipment; although, indeed, for certain very important analyses, such equipment does exist. When you are going to mass-produce medicine, however, you have to set up a facility. A recent example: There is the so-called Finished Forms, which is a factory that allowed us to make the Neovitamin II pill, for example. I'll just give you one example: Neovitamin II is manufactured thanks, precisely, to a facility that had been planned for another purpose, and that is what allowed us to make this great quantity of pills in a short time. However, I do not think that everything can be made in Cuba, nor do I think we are in a position to stock pharmacies completely.

[Santana] Another matter that concerns people is whether exporting is being done at the expense of the Cuban consumers.

[Rodriguez] No. That is what I was telling you: One of the things I like very much about the scientists who work in this field is the fact that they stand as close a watch over one side as over the other. They worry first about the domestic, and only later about the external.

[Santana] So how does this benefit the population?

[Rodriguez] The population benefits directly! I just gave you a number of examples! But I can tell you that the PPG was available throughout the national territory before being exported, and that is only one example. Or take the antimeningitis vaccine: All our children have been vaccinated. And in the same way, there are lots of other medicines that we do indeed get first, ourselves: vision treatments, skin treatments, etc. We get them first, and only then do we export them.

[Santana] This has been the industrialization of biotechnological medical and pharmaceutical products, a topic for analysis and reflection here on the Straight Talk program.

* Residents Discuss Use of Legalized Dollars

94CA0032A Mexico City EXCELSIOR in Spanish 21-22 Oct 93

[Parts II and III of three-part article by Gloria Analco]

[21 Oct pp 1-A, 29-A]

[Text] Havana, 20 Oct—Dollar fever is raging in the streets of Havana. The population's top economic priority is to get dollars by every means imaginable. Even the "santeros" are asking for dollars! And, something unusual, almost all Cubans now carry this currency in their pockets.

People have gone crazy trying to find a source of dollars, and just as in Charlie Chaplin's film "The Gold Rush," "everyone's goal in life is to find not gold, but dollars," says a concerned sociologist who still does not know if this is good or bad.

With at least a dollar in their pockets, it is no exaggeration to say that almost everyone, at a given time, possesses this currency that they now try to amass whenever they can.

Not only in Havana do people have dollars; outside the capital there is also a rage for dollars, and every day at "diplos" or "shoppings" [shops for foreigners] campesinos came in who have come to Havana with their handful of dollars from who knows where.

It seems as if they have been hoarding this currency for a long time, waiting for an opportunity to use it legally to "assault" the shops, which they have literally been doing. When people go to the country in search of food, campesinos ask them: "Did you bring dollars?"

One might think the dollars come mostly from relatives in exile, but that view now seems very simplistic, denying the foresight of Cubans who for a long time have been conducting "business" underground.

The underground economy is now showing its true face, revealing that some Cubans have not been content simply to live under a socialist state concerned about their social welfare, but have also illegally cultivated certain practices of capitalism, including gambling.

There are two types of Cubans now, those who are frantically hunting for dollars, and those who already have them, some in large amounts.

The government move to liberalize the possession of dollars has aroused everybody—those who already have dollars, to spend them, and those who do not have them, to get them. This has become a normal pattern of behavior, though there are also many people who neither have nor are seeking them, but get them without effort. How? Through family members abroad.

Of course, an army of ants is now working to obtain dollars in a thousand ways. The five-star hotel porter is a gentlemanly and educated young man who "does not look like a baggage handler," but he does so with impressive willingness and skill. This young man is a nuclear physicist, but the hotel door gives him access to hard currency, the only currency with real purchasing power.

"How much did you earn as a professional?" we asked him.

"I earned 320 pesos. With that I could buy bath soap for 60 pesos; half a chicken for 100 pesos; pants made of a fabric blend for 150 pesos, and a razor for 10 pesos," he answered.

With the dollars from his tips he often eats meat and can wear the elegant clothes and shoes he likes.

"How do you pay for rent, and utilities like electricity, telephone, gas, and water?"

"The state charges very little for them. My wife's salary is enough to cover that," he says, as if relieved at not having to use dollars to pay for those expenses.

An electronics engineer who had worked in a warehouse for 200 pesos is now paid $20 by a corporation, where they also give him a good lunch. He is pleased because "I can buy something with those dollars."

Many professionals have gone to work where they are paid in dollars; some have to falsify their identity cards to get jobs in the tourism sector, where university graduates are prohibited from working.

Small Cafeterias

Dollar fever does not stop there. As soon as Decree-Law 141 about independent work was announced (though it does not authorize private initiative as such), overnight Cubans set up in the courtyards of their houses a vast network of small cafeterias and unauthorized restaurants, competing with legally established businesses while charging much lower prices.

A lobster with a full array of side dishes may cost $5, compared with the $20 to $25 charged in official restaurants; beer is sold for $1, rather than the $2.50 charged in state establishments, and a hamburger costs between $3 and $4 less than in any established restaurant.

It is estimated that there are at least 60 such establishments in Havana, and more Cubans are planning to open others. One such case is Marisa, who with a $100 investment will begin to sell hot dogs and imported soft drinks at her house. She has already told her neighbors about her plans, and she intends to expand to more complicated dishes as soon as business "starts to go well."

This is not unfair competition, since they are still operating covertly and are very small, but if they survive they may come to rival state-authorized establishments.

The new restaurant operators, the start of Cuban private initiative, take refuge in some statements by government officials that those who have receipts for their purchases may proceed with their sales, unlike those who rob the state of merchandise which they sell to the public.

Resident foreigners have begun to complain, for in the "diplotiendas" [shops for diplomats] that were reserved for them in the past, there are now constant shortages of the most essential products because of the avalanche of purchases that Cubans have been making since the possession of dollars was legalized, even though prices have risen 50 percent because of that step.

Sales have gone up so much that soon the state will increase by over 20 new establishments the number of shops, bakeries, and even gasoline stations handling foreign currency. To a lesser extent, this is also taking place in a number of cities in the interior.

These shops sell without question, and do not wonder when a Cuban with dollars wants to buy 20 identical pullovers or 20 liters of oil at one time.

Others go to hotels offering to rent their homes or cars, either with or without a driver. The library of a writer has begun to shrink rapidly, and in just a few weeks he has made several hundred dollars. In bookstores he contacts potential buyers, and he offers to sell books at much cheaper prices.

In the past there was a small army of sellers who stopped at the doors of foreigners to whom they surreptitiously sold all sorts of foods, ranging from lobster and shrimp to garlic and onions.

Today there are many armies of such sellers who go about selling their products in dollars, and some have begun to knock on the doors of Cubans asking for payment in dollars.

Surprised Cubans barely manage to stammer: "But, how much in Cuban currency?"

"No, no no. Dollars only," is the seller's emphatic answer.

People are now engaging in the hunt for dollars. It is the only topic of conversation.

The barber makes plans to cut foreigners' hair, the professional intends to set up a cafeteria in his garage, the worker wants to sell snacks on the beaches where tourists swim, the student quickly develops his skills to get in the dollar market, the taxi driver will try to be more pleasant to get a higher tip, the housewife gives manicures to foreigners, etc.

The dream of a dressmaker in the Cotorro neighborhood goes beyond everything experienced in Cuba until now. She wants her relatives, instead of paying her for her services, to deposit the money in a bank in Miami. The next step would be to go to Miami to set up a small business and have it run by some trustworthy person so she could receive the profits in Havana.

"I know it would be like dancing where there are dancers all around," she says, "but the women in Hialeah (a Miami neighborhood) went crazy when I showed them my hand-embroidered blouses."

Campaign in Miami

When questioned in the airport, a woman visiting Havana from Miami said a campaign is under way in Miami to persuade Cubans not to send dollars to their poor relatives in Cuba.

"Many people go to those meetings say they will not send anything, go back home, and the first thing they do is see how they can get money to their relatives. I am tired of seeing that," said this woman, who said her name is Marta.

Going through Havana on a Sunday, most of the people you see are well dressed and shod, and above all, very clean.

A foreigner who recently visited Cuba told this correspondent that he was surprised about how well people were dressed.

"It looks as if they were not in a crisis. How do they do it?"

"Go ask them yourself" is our answer, given the impossibility of explaining it.

The same thing happens with the dollar. How do people get dollars?

When restrictions on the possession of dollars were relaxed, many Cubans already had them, and not only from funds sent by relatives abroad. The black market in the dollar was not the main source, nor was contact with foreign tourists, or in recent years work as vendors of products to foreign residents. Perhaps underground business may be what has mostly brought in a good part of the $800 million which is the maximum figure the authorities calculate may be in the possession of the population, and which they want to attract through their network of commercial establishments.

A survey conducted recently among establishments that sell goods to Cubans for foreign currency revealed that the most popular items are personal hygiene products, followed by basic food products.

Perhaps this may explain the attractive appearance of the Cubans that so caught the attention of the intrigued visitor.

[22 Oct pp 1-A, 28-A]

[Passage omitted]

The Pyramid Swindle

There are many surprising stories [about gambling], but perhaps the most unexpected may be that even today, in the midst of the "special period," Cubans continue to gamble secretly. What is now going on in the streets of Havana has already run its course in other places like Miami and Mexico City. This is the pyramid scam.

At the beginning of the 1980's, pyramid scams inundated Florida. People with modest resources, factory workers, and anybody who felt overwhelmed by credit card interest debts bet on this crazy scheme, so similar to a stock exchange, where almost magical earnings depended on the miracle that a long and endless chain would not be broken.

Pyramid clubs were prohibited by law. Police reports cited fraud, assaults, and the manipulation of large quantities of money put into circulation in a highly volatile manner.

Now, over 10 years later, this illegal lottery has reappeared, this time in Havana, though everything suggests that its stay here will also be brief, since fraud and even violence have been reported as a result of this economic phenomenon that has arisen because of the situation during the "special period."

One woman doubled her money which she could not have done in the best of business deals, but her friend lost 1,000 pesos in the game.

The link of the chain disappeared with all her money, as well as that of the others in the pyramid. People accepted the fact that they had lost their investment, but in the La Lisa neighborhood people say there were two deaths because of a case of pyramid fraud.

Earnings of thousands of pesos have been reported with this game, and in the end dollar-based pyramids have inevitably appeared. This form of earning money continues, despite its risks.

And so the game goes on, with bets on baseball, dominoes, cockfights, and other such games of chance, in which the dollar has inevitably begun to make its appearance.

Haiti

Malval To Leave 1 Dec To Confer With Aristide

FL2911173093 Port-au-Prince Radio metropole in French 1145 GMT 29 Nov 93

[Text] The Haitian prime minister has once more decided to resign from his office. He let it be known in a letter addressed to President Aristide. Considering that he has not succeeded in governing since his appointment on 2 September, Robert Malval has reportedly decided to resign in order to facilitate the solution to the political crisis, according to a governmental source.

Minister of Information and Culture Herve Denis recalled on Radio France Internationale that the Haitian prime minister had stated even before taking office that he would resign on 15 December, after having furthered the return to Haiti of President Aristide. However, he stated, everything has not yet been said regarding this resignation.

[Begin Denis recording] Regarding Prime Minister Malval's resignation, as a member of the government, I can tell you that he said a long time ago, at the beginning, that he would leave on 15 December. But I remember that he said that it was in the event that President Aristide returned on 30 October. As he himself said, the goods were not delivered on 30 October. It should not be quickly assumed that the prime minister will leave on 15 December as long as the problem is not solved. [end recording].

It should also be noted that Prime Minister Malval is scheduled to meet with the president-in-exile before 15 December. He will leave Port-au-Prince on 1 December in order to communicate to Father Aristide the results of the talks initiated by his government with the various sectors in the country.

FRAPH Demands Malval's Resignation Before 15 Dec

FL2911230293 Port-au-Prince Radio Metropole in French 1145 GMT 29 Nov 93

[Passage within quotation marks in Creole]

[Text] The Revolutionary Front for Haitian Advancement and Progress, FRAPH, chose the department of Artibonite to launch a mobilization campaign. FRAPH leaders demanded the resignation of the prime minister before 15 December. Let us listen to Emmanuel Constant, FRAPH leader:

[Begin Constant recording] "The first reform by Bookman in Haiti was 1793. Today, 200 years later, FRAPH will start another revolution because it is time that we emerge from the situation that we are facing. What I am trying to explain to you is that there are people in Port-au-Prince of bad faith. There are people abroad who are also of bad faith. We are asking them to release our children, who are dying.

"Meanwhile, what did Prime Minister Malval do? He decided that he would resign, four or five times. He never resigned to give a chance to the country. He said he would resign on 15 December.

"In resigning, he would leave us on the streets. They say that FRAPH is a mixture of everybody. Here is a living macoute among us. They were burning a macoute, and the macoute just appeared in front of us. [as heard] We have lavalas among us, macoutes among us. FRAPH, where are you? [crowd cheers]

"Prime Minister Malval said that he would resign on 15 December. He just wants to escape from us before the Haitians living abroad, who are well nourished, well taken care of, land here to open fire at us. They say that FRAPH includes armed civilians. They, themselves, are putting weapons in the hands of Haitian civilians living abroad, along with foreign civilians, in order to land here and shoot at us. I say no, once more. I am sure the entire country is saying no, because I see many courageous men and women in front of me. Before Malval resigns on 15 December, I want him to leave before 15 December. [applause]

"I asked last week that the legislators give a ruling on what is going on in the country. They have not done so. This week they will get a great surprise. I will not tell the Chamber anything." [end recording]

Thus, a political meeting with the appearance of an electoral campaign in the Artibonite, in Desdunes. The meeting was also led by Louis Jodel Chambelain, who promised the Desdunes population a public school, telephone service, and medical centers.

[Begin Chambelain recording] "[Word indistinct] we are going to study the general situation in Artibonite so that tomorrow, when I use this road, I do not see my brothers and sisters, from six o'clock in the morning, standing in mud, cultivating rice. We are making efforts to get this region equipment that will help the people in Artibonite better cultivate their lands. [applause]

"[Words indistinct] for Desdunes to have a public school, to serve the region so that people in Desdunes do not have to go to Gonaives or to Port-au-Prince to attend school." [end recording]

Labor Union Leaders Meet With Malval

FL2911232693 Port-au-Prince Radio Metropole in French 1145 GMT 29 Nov 93

[Recorded passages in Creole]

[Text] The Haitian union sector met on 26 November with Prime Minister Robert Malval. Most of the labor union leaders came out of this meeting with the conviction that an extension of the political crisis would have serious consequences on the country's economy, already severely affected by the embargo. While lending their support to the Malval government, the leaders of the unions want a national effort to seek a solution to the political crisis. Rothschild Francois reports:

[Begin recording, in progress] [First unidentified leader] ...However, no proposal was made. I believe that each member of each labor union will go home and discuss with their bases so that they can formulate [word indistinct].

[Second unidentified leader] I think it is a good initiative. I believe that we are going to think about it.

[Third unidentified leader] The meeting this morning is moral support that the labor union sector wanted to give the Malval government for the measures and decisions it will take toward solving the crisis. We discussed our concerns as unions facing the large number of workers suffering and the willingness to participate that we could offer in order to solve the crisis.

[Reporter Francois] Did you emphasize the necessity of solving the crisis?

[First leader] We emphasized it. However, we recommended not seeking a quick solution. It is necessary for the prime minister to meet with the various sectors of national life and for the final decision to come from everyone, so that this time we can avoid the disappointment that the workers faced on 30 October.

[Second leader] If this crisis lasts three to four more months, this country will definitely collapse under a bloc of ecological problems, sanitary problems, food problems. Even if the Haitian people are not sick now, we will face the consequences of the embargo later. We need an urgent measure and I do not think that it should come from outside. I believe that Haitians—meaning the concerned people, not those using repression, because the longer the crisis lasts, the more money they make—if the labor unions, those who are concerned, do not work together to solve the crisis, the crisis will last. [end recording]

Those statements were made on 26 November by several union representatives who were meeting with Haitian Prime Minister Robert Malval.

St. Kitts and Nevis

Elections Produce 'Dead Heat' for Main Parties

FL3011131693 Bridgetown CANA in English 0639 GMT 30 Nov 93

[Text] Basseterre, St. Kitts, 30 Nov, CANA—The Nevis-based Concerned Citizens Movement (CCM) was left holding the balance of power after general elections on Monday produced a dead heat between the St. Kitts-based ruling People's Action Movement (PAM) and its main challenger, the St. Kitts-Nevis Labour Party (SKNLP).

When counting of ballots ended early Tuesday, PAM, which was seeking a record fourth straight mandate as the government of this twin-island Carbbean state, held four seats—the same number as the SKNLP.

In the new 11-member Parliament, the CCM, led by Nevis Premier Vance Amory, will hold two seats. The Nevis Reformation Party (NRP), PAM's coalition partner in the central government for the past 13 years, has one seat.

In one of the last two results declared, outgoing Prime Minister Dr. Kennedy Simmonds [words indistinct] from the Labour Party's Dwyer Astaphan, to retain his Central Basseterre seat by 22 votes.

In another close finish, Health and Women's Affairs Minister Constance Mitcham retained her Challengers/Half-way Tree seat by 10 votes.

Tourism Minister Roy Jones lost his seat. So did Michael Powell, the expelled former deputy leader of the PAM, whose new United People's Party (UPP) failed to make a strong showing.

Electoral officials reported a voter turnout of 66.4 per cent. There were 28,987 registered electors.

Labour Party leader Dr. Denzil Douglas and his deputy, Sam Condor, comfortably retained their seats.

Other re-elected members of the outgoing administration are Deputy Prime Minister Sydney Morris, Agriculture Minister Hugh Heyliger, and Joseph Parry, the lone successful candidate of the Nevis Reformation Party (NRP).

'Preliminary Results' Reported

FL3011134193 Bridgetown CANA in English 0649 GMT 30 Nov 93

[Text] Basseterre, St. Kitts, Nov 30, CANA—Following are the preliminary results of St. Kitts and Nevis' general election Monday:

St. Christopher One (East Basseterre constituency)
Earl Assim Martin—medical doctor, St. Kitts-Nevis Labour Party; 1, 116
Erstein Edwards—ex-diplomat, People's Action Movement (PAM); 965
Michael Powell—businessman, leader United People's Party (UPP); 332

St. Christopher Two (Central Basseterre)
Dr. Kennedy Simmonds—prime minister, leader of PAM; 1,417
Dwyer Astaphan—lawyer (Labour);1,385
Wycliffe John—ex-civil servant (UPP); 73

St. Christopher Three (West Basseterre)
Sam Condor—businessman (Labour); 1,106
Emile Greene—ex-educator (PAM); 606
St. Christopher Four (Challengers to Half-way Tree)
Constance Mitcham—lawyer (PAM); 676
Rupert Herbert—retired civil servant (Labour); 666
Othniel Heyliger—contractor (UPP); 16

St. Christopher Five (Sandy Point and Fig Tree)
Hugh Heyliger—economist (PAM); 778
Bertram Charles—lawyer (Labour); 555
Lionel Benjamin—business executive (UPP); 73

St. Christopher Six (Newton Ground to Saddlers)
Denzil Douglas—medical doctor, leader of Labour Party; 1,320
Roosevelt Caines—businessman (PAM); 191

St. Christopher Seven (Ottleys to Belle Vue)
Timothy Harris—student (Labour); 1,119
Roy Jones—insurance executive (PAM); 647
Leonard Williams—businessman (UPP); 26

St. Christopher Eight
Sydney Morris—ex-educator (PAM); 1,169
Cedric Liburd—insurance executive (Labour); 1,138
Patrick Welcome—educator (UPP); 85

Nevis Nine (St. John, Fig Tree, St. Paul, Charlestown)
Malcolm Guishard—businessman (Concerned Citizens Movement); 857
Victor Martin—Nevis Reformation Party; 692
Levi Morton—painter (independent); 1

Nevis Ten (St. George, Gingerland)
Vance Amory—Nevis premier, leader of CCM; 680
Earl Stanley—businessman (NRP); 216

Nevis Eleven (St. James, Windward, and St. Thomas, Lowland)
Joseph Parry—businessman, NRP leader; 733
Oban Lawrence—teacher (CCM); 563

Final result: Labour—four seats; PAM - four seats; CCM - two seats; NRP - one seat.

Montevideo Editorial on Importance of Ratification

PY2711115093 Montevideo EL OBSERVADOR ECONOMICO in Spanish 22 Nov 93 p 2

[Editorial: "NAFTA: A Close But Right Decision"]

[Text] "There is nobody in Geneva (seat of GATT's headquarters) who has not heaved a sigh of relief today," said GATT Director General Peter Sutherland on 18 November. His phrase perfectly summarized the feeling of numerous prominent figures and leaders around the world after learning about the close but affirmative vote on NAFTA's ratification by the U.S. House of Representatives.

The vote was, as expected, very close. The treaty passed 234-200; and to do them justice, it must be pointed out that the ratification was passed thanks to the support of Republican Party representatives, 132 of whom voted for the ratification, whereas only 102 of the 258 Democrats supported NAFTA. And this was achieved only after countless concessions President Bill Clinton had to make, which range from the establishment of a development bank to the construction of bridges and dams in the states of those representatives who allegedly changed their original vote intention. According to Ross Perot—whose opinion is, incidentally, not very objective given his adamant opposition to NAFTA—it was the most outrageous misappropriation of taxpayers' money to purchase votes in the present century. Very little is known so far about the price Clinton had to pay, but in any case, it seems to have been worthwhile.

Considering the close margin and how the vote unfolded until it was possible to garner the crucial 218 votes (the House of Representatives comprises 435 representatives), it is quite easy to understand the sigh of relief breathed in Geneva, Washington, Mexico, and the four corners of the world on 18 November.

The fact of the matter is that it would have been catastrophic if the vote had gone against NAFTA. The 17 November vote entailed much more than ratifying an economic treaty. Many things were at stake, including President Clinton's authority; his ability to conduct his country's foreign policy; the Uruguay Round of GATT talks; the transformation program pushed by Mexican President Salinas de Gortari; the prestige of the Mexican president himself—who staked all or nothing on NAFTA's ratification; the expectation of several Latin American countries, which were looking forward to joining NAFTA in the future; and as a bottom line, a very significant milestone for the future of free trade around the world.

The world economy already has enough problems (growing unemployment and recession in Europe, important micro-economic changes that rob a considerable amount of leading world companies of their sleep, the reconstruction of Eastern European countries, the consolidation of the U.S. economic upswing, etc.) without saddling it with the failure of NAFTA's ratification. In fact, how would President Clinton's authority have fared at home and abroad? How could he have dared demand an agreement to bring the Uruguay Round to a successful conclusion by 15 December if had not been able to have Congress passed a free trade treaty to benefit the United States? How could he have successfully conducted an effective foreign policy in an increasingly complex world in which economic matters tend to displace ideological or political questions if he had not managed to have ratified a free trade zone with an economy much smaller and more inefficient than the United States?

Fortunately, common sense prevailed and the treaty, which had kept international financial markets in suspense, was finally ratified. We are now at the threshold of a new era of hope for world trade, which is a key factor for achieving development.

It is now possible to reach an agreement on GATT's Uruguay Round. Numerous countries, including Argentina and Chile, want to join NAFTA. Clinton promised he would open the door to those economies governed by market laws that have reached economic stability. Moreover, he already has met with Pacific Rim countries to negotiate a free trade agreement. Protectionism is a hard nut to crack, but free trade has gained momentum.

Meanwhile, we Uruguayans ought to follow future developments very closely and act in a decisive way lest we miss the boat once again.

Effects of NAFTA, Mercosur Viewed

PY2711122093 Montevideo LA MANANA in Spanish 22 Nov 93 p 4

[Editorial: "Economic Blocs and the Uruguay Round"]

[Text] Finally, on 17 November, the U.S. House of Representatives approved NAFTA by a larger margin than expected, thus removing the last great obstacle preventing the organization of the largest economic group in the world, which will be in effect as of 1 January 1994.

The intensive negotiations to win votes, and the White House's sigh of relief upon learning the result, which also was felt in Montevideo, provide an idea of the hopes and reluctance that the opening and integration processes have unleashed, and of the scope of interests that are in play.

The free trade zone encompassing the United States, Canada, and Mexico has opened a new development prospect for regional trade, and there are several countries that already are candidates to have access to that privileged market, among them Chile, Argentina, Colombia, and Venezuela. But it is also true that the added economic areas are the fruit of years of negotiations, marches and retreats, and reciprocal concessions in the quest for common vectors and interests that will crystallize after several surprises and bitter experiences.

as demonstrated by the recent vote in Washington or the frustrating episodes of the Maastricht Treaty, which ruined plans for a short-term European monetary unification, unleashed open speculation against the parity system, and even compromised the fate of several governments. This demonstrates that, at least in democracies, major decisions in the economic area demand a political follow-up to prevent surprises.

From Montevideo and the modest Mercosur [Common Market of the South] project, after the experiences of LAFTA [Latin American Free Trade Association], ALADI [Latin American Integration Association], and even of bilateral and trilateral agreements, the free trade treaty emerges as a powerful magnet and point of reference for 1 January 1995, when, hypothetically, we will have a common import tariff, minimum internal barriers, and the so-called imbalances that are about to be resolved.

But several elections must be held before that, and although the four countries' policies are integrated within Mercosur, the implementation of that desire is also subordinated to the members' internal decisions, which are not necessarily harmonious, and the larger partners' overall strategies.

Within that context, Uruguay, whose objective is the expansion of the market and its trade possibilities, must carefully assess the advantages and disadvantages at the moment of fully identifying itself with a bloc or economic group, taking into consideration the fact that our negotiation opportunities are tight and our supply is based mostly on agricultural products and their byproducts.

It is thus very important that the Uruguay Round of GATT, the conclusion of which, after seven tiresome years, has been announced for 15 December, show some development in that area, one of the most contested areas that has unleashed a true commercial war among the main powers, distorting markets, prices, and restricting the access to more effective countries.

Therefore, the forthcoming implementation of the free trade treaty is positive for the continent, while the steps taken toward Mercosur show that the process is alive, and that our best efforts must focus on reaching a greater liberalization of world trade, especially for agricultural products within the framework of GATT. Otherwise, the prospects to overcome a depressed period that our primary sector is experiencing will be postponed and subordinated to the whims of countries from the Northern Hemisphere.

Czech Commentary Sees Expansion in Latin America

AU2611110493 Prague LIDOVE NOVINY in Czech 22 Nov 93 p 5

[Commentary by Oto Schmidt: "NAFTA—A Beginning of a Continental Change"]

[Text] On 17 November 1993 the House of Representatives approved the North American Free Trade Agreement (NAFTA), involving the United States, Canada, and Mexico. This idea appeared for the first time in the fourth point of the Truman doctrine, received a specific shape in George Bush's program, and Bill Clinton gave it today's form. It is believed that the Senate will approve it, Mexico and Canada have already given their approval. The largest free trade zone involving 360 million consumers will be established next year, and customs barriers will be gradually abolished.

It would be a mistake to believe that the treaty is only about tariffs, or separate agreements on labor force or ecology. It would also be a mistake to judge this treaty only in the light of U.S.-Mexican mutual trade. After the extensive campaign conducted by U.S. trade unions who tried to point out the treaty's adverse effects, and the fierce, albeit controversial speech by Ross Perot, nothing else will happen after the treaty is signed. Fears that large U.S. concerns will begin moving their factories to the south of the Rio Grande because of the low Mexican wages will prove to be unfounded, like were the fears of some politicians who thought that after the European Economic Community was established, German or British industry would move to Spain and Portugal. Certainly, the U.S. textile industry will lose a number of job opportunities, and trade will increase in regions close to the Mexican borders. But, few Americans will become poorer because of the treaty. The treaty is important because of something else.

Only a superficial observer can miss the fact that the U.S. economy is undergoing great changes. Trade balance in the principal industrial branches shows that the traditionally successful industrial sectors producing cars, steel, machine-tools, electronic products, textile, and even computers are slipping into ever worsening figures. Of the eight [as published] sectors, only the chemical industry and civilian airplane production remained active. Reasons are complicated and therefore their profound analysis cannot be made. These reasons are: increasing foreign competition, flaws in the U.S. school system, the structure of the labor force that is unable to keep pace with the hasty technical progress, etc.

There is a fundamental dilemma for the politicians: to preserve the American world at any price, or to act in accordance with the signals of the future? To close oneself passively into one's national space, or be active and expose oneself to the cool and stormy winds of the world competition? America opted for the latter. If it is true that the politicians deal with the current affairs and the statesmen with the future affairs, then President Clinton certainly became a statesman on 17 November.

Mexico is part of the large Latin American community. This community is poor today, but it has prerequisites to overcome its own handicaps. From the demographic viewpoint, the U.S. and Canadian population comprised 217 million people in 1960, and Latin America 210 million. This is a 1:1 ratio. In 2025, North America will

have 332 million, and Latin America 762 million, which is a 1:2 ratio. Of this, Mexico will have 150 million, and Brazil 245 million. Large increases in population do not automatically imply greater prosperity, rather, the opposite is true. It would be foolish, however, to believe that the distribution of welfare between the poor and the rich is permanent and cannot be changed. The East Asian "tigers" provide a textbook example of the fact that industrial qualifications and organizational capabilities are not reserved for one race only.

The are visible signs that the Latin American economy is improving after the unsuccessful decade of the 1980's. Like the post-communist countries, Latin America will not make it without foreign help. This help is expected to come from the United States—and is actually coming from there. The United States exports there 50 times as much as to the former communist Europe. To increase this help even more, and to fairly divide the profit between the two parties, a new mechanism replacing the old unilateral dependence has to be introduced. NAFTA is one of such mechanisms. If it comes right—there are no reasons for failure—then is it not difficult to imagine that more Latin American countries will follow Mexico, and instead of the North American Free Trade Agreement, the American Free Trade Agreement (AFTA) will be established. The growing prosperity of its members will become the best example and, at the same time, the best weapon against wild nationalism, dictatorship, corruption, and militarism in some Latin American countries.

The law on civic rights of 1957 meant little for the American Blacks, but started the great era in which legal segregation in the United States was abolished. The NAFTA has importance for the future. From Europe's viewpoint it can have long-term international consequences, particularly if the tiptoeing around GATT continues. It seems that Uncle Sam—who has twice brought civilization back to us, as one of [Czech composer] Jezek's nice songs tells us—is beginning to orient himself toward other continents.

* Negative Maquiladora Work Conditions Cited

94CA0036A Mexico City LA JORNADA in Spanish 25-29 Oct 93

[Article by Sara Lovera]

[25 Oct, pp 1, 40]

[Text] Just over a half-million Mexican workers in the export assembly industry, which was installed along the northern border nearly three decades ago, have been the subject of great experimentation in the labor, social, and political spheres.

The experiments in this sector, which currently encompasses more than 2,000 establishments and is still growing (in Tijuana in the past year, eight new businesses have opened up each month, providing massive employment opportunities and better wages and working conditions), have been a failure.

Despite their heterogeneity, these companies pay wages that "are lower than average wages in the manufacturing industry," say economists Teresa Rendon and Carlos Salas of the Economic Research Institute at the National Autonomous University of Mexico (UNAM).

Although employment in this sector has expanded continually, it accounts for just five percent of the labor force (PEA). No worker has lifetime job security in the *maquiladoras*, or assembly line plants, and instability is the rule. Wages are at survival level, according to Alicia Puente, who lives in a shantytown in Acuna, Coahuila.

In the *maquiladora* cities of Coahuila, for example, no one earns more than 150 new pesos per week. At all companies, "you get by on piecework," said Mario Alberto Camarillo, former leader of the Confederation of Mexican Workers (CTM) in Piedras Negras. Throughout the industry these days, the so-called "total quality" or "zero errors" programs have been implemented, in which production depends entirely on the needs of the company, as can be seen in the few collective bargaining agreements that have been signed. This was confirmed by Sergio Tagliapietra, president of the Mexicali Maquiladora Association.

The workers' only chance to improve their income is through new forms of piecework, today considered productivity. In the *maquiladora* industry, limits on the number of hours worked in a day are only on paper. Punctuality and productivity bonuses—actually preconceived standards—amount to 10 to 20 percent above the general minimum wage.

The export assembly industry, which depends largely on corporations headquartered in the United States, although Japanese and Korean capital is playing a larger role, has gradually nullified union life. Collective bargaining agreements have been practically eliminated, and what experts call a new type of labor-management relations has been created. These relations are being put forward as a model for the implementation of the North American Free Trade Agreement [NAFTA].

One worker who lives in the Revolutionary Confederation of Workers and Peasants (CROC) colonia [urban community] of Piedras Negras pointed out that over a period of three years, she worked as a packer, a painter in a porcelain factory, a leather spot remover, and now as a maker of colored drinking straws for children in the United States. She never knew whether or not there was a union to represent her.

Another worker from the Nueva Laguna colonia in Acuna said that he works up to 11 hours a day testing auto tires, not knowing that the legal limit is eight hours of work.

Consequences of a Program

According to Jorge Carrillo, a researcher at El Colegio de la Frontera, the *maquiladora* sector grew out of the Border Industrialization Program that the government launched in 1965 to allow inputs and components to be imported into our country along with technology. It was seen as a model of indigenous industrial development, but training is still a utopia with no basis in reality. Hardly any workers receive technical training on the job, and most companies choose to hire inexperienced workers in such major areas as Tijuana and Ciudad Juarez. Furthermore, over half the plants where women are still in the majority are located there.

This industry also generated such a great demand for infrastructure that the cities where it is located have become veritable encampments, lost cities, shantytowns that become mudholes during the rainy season, incapable of meeting residents' needs. In practically every *maquiladora* city, people say there are between 30 and 80 working-class colonias.

In some parts of the *maquiladora* zone along the border, which are often former ejidos undergoing rapid urbanization, the workers have to walk as long as 50 minutes to get to the stop where they wait for transportation to the factories. Most of the cardboard houses are in the new settlements in Acuna, and they are piled on top of each other to counteract sudden temperature changes. During the rainy season, they are rebuilt time and again.

The lack of water and decent housing is common in working-class colonias. Residents get by as best they can in the overcrowded conditions that characterize the so-called marginal zones of the major cities. In Tijuana, one merely has to walk four kilometers in any direction from the center of the city to find a sea of hovels.

Factories are built in the middle of semiurban areas, and it is difficult to tell where the residential area ends and the industrial park begins. This is true, for example, in Mesa de Otay in Tijuana and La Nueva Laguna in Acuna, as well as the 14 industrial parks in Mexicali.

Always subject to the ups and downs of corporate headquarters, the export assembly industry has an ingrained sense of impermanence. Large and small plants open and close as the market for their products fluctuates in parts of the world over which Mexico has no control. Filing complaints with labor authorities is futile, says Fernando Fonseca, a labor attorney in Acuna, because the *maquiladora* industry has always been considered an exceptional case.

The unions that tried to organize the workers for a few years, as documented extensively by Cirila Quintero, director of the Colegio de la Frontera in Matamoros, have resigned themselves to engaging in intangible union activities or not getting involved at all. Tamaulipas is the only *maquiladora* zone with any significant union representation. The protests and work stoppages were halted 10 years ago.

In the supplementary role that *maquiladora* plants play with respect to the big transnationals, simple production processes occur side by side with the most sophisticated, cutting-edge technology. Beginning in the 1980's, the manufacture of conductors or components for the U.S. military industry took on greater importance, according to studies by Laura Palomares and Leonard Mertens of the International Labor Organization (ILO) in Mexico.

Maquiladoras for the electronics industry, which is predominant in some cities, have made far-reaching technological changes in some processes for "strategic use." The winding of video tapes on a mass scale has introduced sophisticated working methods that greatly isolate the workers.

Migration

A tour of the cities of Tijuana, Mexicali, Tecate, Acuna, Piedras Negras, Saltillo, and Torreon revealed that the government's decision in 1989 to allow these plants to be installed in the rest of the country led to a boom in the industry. The working methods and experimentation that characterized the industry in its infancy are still evident.

The lure of jobs in the *maquiladora* industry brought a wave of peasants and urban workers to northern cities. According to Rendon and Salas, employment in this industry multiplied by a factor of 2.7 in the last decade.

It is still possible to see large banners at the entrances to factories in Mexicali and Ciudad Juarez advertising job openings and providing hiring details, almost always on an individual basis. One of the biggest problems in these companies, however, is the high turnover of employees. Recent studies revealed that the average worker stays in a single factory between one and three years.

Studies by El Colegio de la Frontera Norte also show that this industry, which contributed $1.5 billion a year in foreign exchange up to 1989 (a figure exceeded only by that of oil exports), will continue growing under NAFTA as an integration alternative. Carrillo, Cirila Quintero, Alfredo Hualde, and other experts say that the main reason the big transnationals are interested in establishing plants in the free-trade zones of poor countries is always the readily available supply of cheap labor that is adaptable to new working methods.

Maquiladora administrators and managers interviewed for this series stated that foreign investors will prefer *maquiladora*-type arrangements over direct investment in our country. The main expectation for the near future, they said, is obtaining high-quality finished products. Martens and Palomares claim that "quality control has acquired an increasingly important role."

The opinions of specialists, the results of studies, and interviews with workers throughout the *maquiladora* zones of Ciudad Juarez, Saltillo, Acuna, and Piedras Negras all reveal that the crisis in the countryside will keep the *maquiladora* industry going. Now, these plants

are beginning to crop up in other parts of the country. The idea is that this industrial activity will be the main employment alternative in the next couple of decades, given that national manufacturing employment has fallen by 10 percent in the last decade.

[26 Oct, pp 1, 36]

The export assembly industry has created a new type of worker, ready to face international competition. This is the result of 160 hours of training, maximum demands on visual attention, and isolation for nine hours a day, which is the daily routine for employees such as those who make precision electronic conductors and components for Unitrode Corporation, those who assemble military radios for West-Cap and Cincinnati Electronics, and those who wind videocassettes for Videovisa.

Although high-tech industry accounts for just 40 percent of the plants located in the border zones, "soft" (i.e., administrative) innovations have also created control mechanisms that have turned *maquiladora* workers into guinea pigs in a new process that limits their capacity to react.

Economist Carmen Ponce, who spent three years researching working conditions in Tijuana *maquiladoras*, observes that this pressure turns *maquiladora* employees into "throw-away workers" who lose their employability after 10 years, regardless of whether the processes involved are sophisticated or labor intensive.

Many women—in 1980 75 percent of the *maquiladora* labor force was female—find that when they reach the age of 35, after spending a decade going from one factory to another, they cannot work in anything but domestic employment, street vending, or prostitution.

The changes, first noted in 1985 by Laura A. Palomares and Leonard Mertens in a study of 60 electronics firms, suggest that there may be a polarization between skilled and unskilled work, and in the long run, it will lead to massive layoffs. Until now, the export assembly industry has been the most dynamic of all (the number of jobs there multiplied 2.7 times in a decade, according to economist Teresa Rendon), but its future as a large-scale employer is uncertain.

In the last two years, the export assembly industry in Matamoros has laid off 5,000 workers, says Alfredo Bazan Serrata, leader of the Regional Federation of Workers in that region, where the oldest electronics firms are located.

In tandem with the introduction of more skilled jobs, "soft" innovations in companies that have not undergone technological change have involved experiments with new forms of labor organization in which overtime lengthens the workday by as much as 50 percent. This has happened in the garment industry, explained economist Estela Suarez of the Interdisciplinary Center at UNAM. She is about to complete a comparative study of Reynosa and Ciudad Juarez.

Productive Laboratory

These experiments in production include the introduction of "zero errors" or "total quality" systems, which were described by Sergio Tagliapietra Nassire, president of the Mexicali Maquiladora Association, in an interview.

The businessman stated that the new procedures, which have been introduced widely and comprehensively throughout the *maquiladora* industry, were made possible by the productivity agreements promoted by the Labor Secretariat.

He indicated that everything began 10 years ago. In Mexicali, the "total quality" process was introduced in almost every plant three years ago. It is a question of a "new mentality." The process involves the entire staff, "from top to bottom. Holes are filled, there is no wasted time." The idea is to make every department more streamlined and efficient. Processes are recycled, and workers are used in various productive activities, from cutting checks to transporting products. This means that the business is able to speed up the delivery of materials, optimize supervision, and set new production standards day after day. If the worker meets the standard, he receives a minimum salary, and the more he exceeds the standard, the more money he receives.

As explained from the opposite point of view by Guadalupe Sanchez, leader of the Autonomous Union of the Obras Maestras Company, a company financed by Japanese capital in Piedras Negras, the process is clear.

The plant employs 335 workers, 250 of them women. The clay for making ceramic figurines is sent from Japan. A total of 2,000 figurines per day are produced by teams of two workers. They fill molds for more than 100 figurines of all sizes. The molds are then put into kilns in a process that employs 20 workers. It takes five minutes to fill a mold, and the baking takes four hours. Meanwhile, workers empty molds filled the previous day, which takes approximately half an hour. The four operations take half a workday.

In the second half of the workday, the remaining workers hand-paint the figurines at 17 work tables, at a rate of 20 figurines each. They are taken immediately for inspection, which is performed by a team of eight workers who can inspect 160 figurines at a time. Every six hours, 2,000 figurines are completed. An additional shift checks for quality and takes new figurines out of the kiln. "We all do everything," said Guadalupe, and the eight workers who do the inspections also pack and ship the product. Nothing can ever be left undone, she says. There are three breaks during the day, two 15-minute ones and a half-hour lunch break.

Obras Maestras employees make 84 pesos a week. New workers receive an additional bonus of 20 pesos a week for attendance and 16 pesos a week for meals. That means a paycheck of 120 pesos every Friday. Workers with six months or more on the job receive 84 pesos, plus

an attendance bonus of 40 pesos and 27 pesos for meals, adding up to 151 pesos per week. And after working there for more than a year, their pay rises to 209 pesos a week, including an attendance bonus of 65 pesos and a meal allowance of 60 pesos. In other words, they earn an average of 29 pesos per day, only twice the general minimum wage in the region. Coahuila has the lowest general minimum wage of all the *maquiladora* zones, equivalent to 12.05 new pesos.

The supervisors at Obras Maestras earn 229 new pesos per week, and the managers make up to 246 new pesos.

Thus, the "total quality" process is combined with the practice that specialists call "universal worker," because the same person who packs the products inspects them; the same person who fills the molds with the ceramic mixture works in the kiln area; the same person who paints the figurines culls defective pieces and supervises the quantity of production.

Piecework

At Dikies, a garment factory, Maria Elena Contreras, leader of the autonomous union at the plant, says that piecework allows the workers to make as much as 350 or 400 new pesos per week, working 16-hour days. In other words, they make between 50 and 60 new pesos per day, equivalent to 3.5 times the minimum wage. To earn that much, they must attach 500 collars, join 1,700 pieces, or fold 960 units per day. The standards require a certain amount of skill, which is achieved during the first six weeks on the job. The base pay, without piecework, is 131 pesos a week for an average of 700 pieces a day attaching collars or joining or folding pieces. With overtime, the day lasts from 0700 to 1900 hours, and an additional nine hours are paid triple time every week, providing an additional 51 new pesos in income. Thus, the total comes to just over 180 pesos a week, 2.5 times the minimum wage. The company prefers to pay a piece rate rather than overtime.

Maria Elena says that when the "total quality" or "zero errors" program was begun, production standards changed. In the last three years, they have gone up 30 percent. Breaks were reduced to 12 minutes, and the lunch break was cut to 20 minutes.

In the electronics processes studied by Mertens, the worker must focus all of his visual acuity and manual dexterity on the job, making miniaturized products and other items. The basic criterion is whether or not the product works; there is no in-between for the worker. Not only are the operator's visual skills challenged, but all of his capacity must be brought to bear.

In automated processes, the number of engineers and production technicians involved rose from 10 percent in 1980 to 14.5 percent in 1985, while at the lower level, the number of female workers dropped from 82 to 77 percent during the same period. At present, engineers and technicians account for 35 percent of the work force.

It was in the electronics industry that the "zero errors" system was introduced for the first time. Quality control was concentrated on the final stages of the process, which allowed for a margin of waste but not of worker error, says Mertens. He has found that these companies hire workers only after they have undergone a detailed eye examination. The typical illnesses suffered by these workers, he discovered, are vision problems, finger cuts, and stress; none of them is considered an occupational illness.

The ILO researcher emphasizes the manufacture of what are known as passive components, which are ultimately used for strategic purposes in armaments, space technology, and other complex electronic gadgetry.

Examples of these companies are Cincinnati Electronics of Sonora, which makes components for torpedoes and assembles military radios, and Electronica Internacional of Baja California, which supplies electronic parts to the U.S. Defense Department through Electronic Business, Electronic Packaging and Production, and Productos Control, all General Electric subsidiaries that produce high-technology resistors.

The export assembly industry along the northern border is developing a new worker, who in many instances works without a clock or a production line in the Taylorist style. He is trained over a short period of time, and he must have a high level of education just to be hired.

Export Assembly Industry Personnel Employed—July 1993

State	Number of Employees
Baja California Norte	107.616
Sonora	43.299
Chihuahua	170.325
Coahuila	45.537
Durango	9.133
Nuevo Leon	24.272
Tamaulipas	93.905
Jalisco	9.126
Yucatan	5.454
Rest of country	38.973
Total personnel employed	542.640

Export Assembly Industry Establishments—July 1993

State	Number of Establishments
Baja California Norte	841
Sonora	174
Chihuahua	333
Coahuila	177
Durango	49

Export Assembly Industry Establishments—July 1993 (Continued)

State	Number of Establishments
Nuevo Leon	85
Tamaulipas	282
Jalisco	42
Yucatan	30
Rest of country	160
Total number of establishments	2,173

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In the export assembly industry, failure to meet production quotas is grounds for dismissal. Laying people off is justified in all cases by the fact that these companies "have temporary contracts with foreign counterparts," and they can reduce the number of employees at their discretion, at any time or place. Moreover, the minimum wages set for the various occupations are ignored.

In the *maquiladora* sector, which employs a total of 500,000 workers, only a tenth of the companies have any union representation. The labor organizations that are registered with the authorities practice what Cirila Quintero, director of El Colegio de la Frontera Norte in Matamoros, terms "subordinate unionism."

An additional phenomenon that has emerged in the *maquiladora* sector and contrasts with the cutting-edge technology is subcontracting, which is common in the Japanese ceramic factories and in an industry that has been a part of the *maquiladora* sector for a long time now, the sorting of discount coupons for the major commercial chains in the United States. The most popular firm of this type, which employs more than 1,500 workers in its plants, is Carolina Proc. de Mexico, technically registered as a company that provides professional, technical, and specialized services. In subcontracting, there are no labor rights whatsoever.

Workers in the export assembly industry enjoy the labor rights set forth in the Federal Labor Law, with the exception of seniority rights, which are nonexistent.

Some *maquiladora* cities have no labor courts. In Acuna, the nearest venue for labor matters is 80 kilometers away. The Board of Conciliation and Arbitration in Tijuana was not established until nine years ago, so for nearly 20 years, *maquiladora* workers had to travel to Mexicali to settle disputes.

Most of the collective bargaining agreements registered in Tijuana involve the Mexican Workers Regional Confederation (CROM). They contain 13 clauses that establish the legal minimums, and the labor organization operates "with protection contracts," according to numerous surveys conducted by researchers at El Colegio de la Frontera Norte from 1977 on. There is no union life.

In Piedras Negras, it is the Secretariat of Commerce that takes care of hiring matters for businesses. The agency tells the investor to sign a labor agreement, preferably with the Confederation of Mexican Workers (CTM), before it will issue a final license for the installation of a plant, recounted Leticia Barkodal, head of the Foreign Trade Department at the secretariat, in an interview.

The official indicated that in the last four years, *maquiladora* companies have been installed in 12 of the 38 municipal jurisdictions in Coahuila. This has occurred since the decree was issued in 1989 allowing these firms to be established in any part of the nation.

There are only four or five autonomous, single-company unions (independent), and they are all located in this city. Traditional unionization has taken place only in the *maquiladora* industry in Tamaulipas, primarily in Matamoros, where two years ago companies were paying the highest *maquiladora* wages of the border region, and there was a benefit unit. At present, these agreements are being phased out, now that Agapito Gonzalez, the historic leader of the region, is in jail.

Eighty kilometers from Piedras Negras, in Acuna, the formation of unions "is prohibited," reportedly due to the intervention of Jesus Maria Ramon, now a federal deputy in the Institutional Revolutionary Party (PRI). Ramon owns Amistad, one of the leading companies with contracts in *maquiladora* industrial parks. According to the company's promotional literature, written in English, it has interests in nine cities in Coahuila, Monterrey, and Nuevo Laredo.

Attorney Fernando Fonseca contends that over a period of more than 20 years, the interests of the contracting firm Amistad have stood in the way of the establishment of labor courts in Sabinas, San Pedro, and Muzquiz, where export assembly plants have sprung up in recent years. There are 11 of these plants in Saltillo, whereas there were none three years ago. Even in the municipality of Frontera, an auto parts plant with 162 employees has been established. There are also plants in Allende, Hidalgo, Zaragoza, San Pedro, Sabinas, and Nueva Rosita, where coal companies used to own all the land and subsoil for 100 kilometers around.

As a result of this prohibition, factories have been shut down or large numbers of workers have been fired for trying to organize a union. The last time anyone tried was five years ago.

In the last decade, the *maquiladora* industry has diversified. There are now plants that make wood furniture, test tires, sort coupons, count garments, make cast iron parts, various manufactured goods, shoes, auto parts, and machine parts, among other products. The electronics, garment, and auto parts industries still have most of their establishments in the *maquiladora* zones of border cities, however.

Subcontracting runs counter to the modern idea of the *maquiladora* plant. Lilia Venegas, of the Office of History Studies of the National Institute of Anthropology and History, found in 1986 that in the coupon sorting business (coupons are a method of discounting specific brands), the employees of Carolina would receive sacks

of coupons to take home and sort, and could subcontract with relatives and neighbors to provide the service for their employers. They were paid a pittance, the researcher said in an interview.

That was obvious in Piedras Negras and Saltillo. In Piedras Negras and Acuna, most coupon sorting is initially done by hand. A second process is being developed using computers, with manpower being provided by the National Council for Professional Training (Conalep).

Unions

Dr. Quintero, who has been visiting and studying the unions of Tijuana and Matamoros for seven years, found in her most recent research that in Tijuana, management has invaded labor's sphere of influence, "without any protests by the union." Employers have thus managed to defuse any potential for activism.

She found, however, that labor authorities report apparent union activity. In Tamaulipas, up to 90 percent of workers are unionized; in Ciudad Juarez, the figure is 19 percent; in Ciudad Acuna, where unions do not exist, the figure is 16 percent; in Agua Prieta, 45 percent of workers are unionized, 14 percent in Nogales, and five percent in Mexicali.

A study by Jorge Carrillo and Alfredo Hualde, released in 1990, indicates that in 1988 the rate of unionization in *maquiladora* zones may have been as high as 30 percent, although they provided details to show that the unions are weak and pliant. They stated that the overall trend in the *maquiladora* sector along the northern border "seems to suggest that the main function of the union is to act as if it did not exist."

A more detailed analysis by Cirila Quintero shows that up to 75 percent of workers in Tijuana claim not to know whether they belong to a labor organization.

In Mexicali, Sergio Tagliapietra Nassire, president of the Maquiladora Association, declared that only 10 percent of *maquiladora* companies had any relations with trade unions. He stated that *maquiladora* employees reject this possibility because their labor rights are better when there is no labor organization.

In cases where the union in question is the Revolutionary Confederation of Workers and Peasants (CROC), such as Mex-Star of Piedras Negras, the contract that was signed (a copy of which was obtained from the Board of Conciliation and Arbitration) has been practically annulled by subsequent agreements.

The contract with that company, signed in July 1992, was radically altered by a pact concluded in May 1993, in which even the weekly day off is subject to the company's "production needs." The company can force an employee to work on mandatory holidays or Sundays if it renews its contract with the parent company and needs to get production out.

In addition, Mex-Star, which manufactures toys and parts, has the right to terminate contracts when a different product is being manufactured, or when in its opinion the employee has not acquired the necessary skills, and it reserves the right to transfer the employee from one department, shift, or operation to another.

Carrillo demonstrated that breaks, wages, and working conditions are better where there is no union, and that there are fewer conflicts in these companies.

The employees of Mex-Star, who belong to the CROC, learned of their contract in July 1993. Right now about 20 of them face the threat of dismissal because they decided to question supervisors and foremen about their rights and about where their union dues went.

Personnel By Type of Operation (National Total)—July 1993

Category	Number	Percentage
Factory workers, male	176,491	33
Factory workers, female	265,095	49
Clerical workers	40,277	7
Technicians	60,777	11

Share of Leading States in Aggregate Value (National Total)—July 1993

State	Number	Percentage
Chihuahua	442,046	31
Baja California Norte	313,456	22
Tamaulipas	270,825	19
Sonora	98,919	7
Rest of country	313,115	22

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Seven out of every 10 workers, that is, nearly 175,000 Mexicans who work in the *maquiladora* industry, are exposed to toxic substances in their daily work. Nearly 3.5 million inhabitants in the cities where *maquiladora* plants are located use contaminated water and live with the constant threat of gas leaks and environmental disasters.

In cities with *maquiladora* plants, 75 percent of the plants generate hazardous wastes, according to various studies, official statistics, and anecdotal evidence. This has been the case for 27 years.

In these areas, there is indiscriminate use of toxic substances, and hundreds of tons of industrial waste accumulate in factory yards. So far, Mexican labor and health authorities have not exerted effective control over the situation or determined the full extent of the problem.

According to the former Urban Development and Ecology Secretariat (Sedue), by the end of 1990, 1,035

maquiladora plants, out of the 1,963 registered and established in Mexico, were considered to be major sources of hazardous waste, and only 33.5 percent of them were in compliance with environmental laws. The situation has not changed.

More than 100 different types of industrial pollutants were found in the waters of the Rio Nuevo in California, attributable to illegal sewage discharges from *maquiladoras*, according to that state's Health Service. Studies revealed that these pollutants came from plants in the city of Mexicali.

The U.S. organization Justice for the Maquiladoras, headquartered in San Antonio, Texas, is conducting a survey of the most common illnesses plaguing *maquiladora* employees. Stress has taken the back seat to poisoning, dizziness and nausea, fainting spells, chronic illnesses, and even cancer, depending on the type of job, the amount of exposure to these substances, and the processes employed.

When Going to Work Makes You Sick

The studies conducted by researcher Roberto A. Sanchez since 1986 in all the border cities have found that there is under-reporting of occupational illnesses at the Mexican Social Security Institute (IMSS). It takes a scandal like the deformed or brainless babies born to women who had worked at the Maryori plants in Matamoros to call attention to the problem and spur authorities to adopt new environmental regulations governing these companies, control imports of the substances involved, and follow up on the effects. The efficacy of these measures depends on the scarce resources allocated by Mexican Government authorities to diagnose the situation and oversee *maquiladora* operations.

In an interview at his offices at El Colegio de la Frontera Norte in Tijuana, Sanchez said that it is difficult to get a comprehensive, well-defined picture of the situation, since in this city alone there are 40 industrial zones, and there is no systematic compilation of the numerous complaints filed by workers, residents of working-class colonias, and staff personnel of the companies.

Yet the use of toxic materials continues unabated. Employees of Mex-Star Ensambles of Piedras Negras, organized by the Civil Justice for Maquiladoras Association, reported that the use of glues and other substances, such as methylene chloride (which they discovered by translating a label—they generally do not know what they are working with) have caused fainting spells and constant headaches among the women who work at the plant. The scientific report on this substance reveals chronic, long-term health effects, including cancer.

Sanchez, who received a MacArthur Foundation fellowship to conduct more detailed studies, contends that the environmental risks and the health consequences outside the *maquiladora* plant are due to the company's failure to control hazardous waste, illegal discharges into the municipal sewage system and waterways, secret containment facilities, and the marketing and recycling of hazardous material containers in the working-class colonias.

He explained that there is also a risk to public health when these waste products—many of them inflammable, corrosive, unstable, or capable of releasing poisonous gases—are stored for long periods of time in plant yards in the urban areas of *maquiladora* cities. This risk has not been quantified.

He noted that Mexican authorities recently did an about-face and are now exerting more control over imports of toxic substances, but the regulations have not been fully promulgated yet, and the lack of resources imposes real limitations on these actions.

Statements taken from employees who worked for various lengths of time in different *maquiladora* plants in Mexicali between 1965 and 1990 show that among managers, plant owners, and health officials, there is great indifference to the effects of the working conditions and the toxic substances used there. In small plants, the lack of ventilation and overcrowding also cause serious problems.

Leticia Figueroa, a researcher at the Autonomous University of Baja California, conducted interviews with randomly selected workers. She found that there is information about people who have died and women who suffer chronic and permanent symptoms. In the garment industry, some workers are allergic to the dust given off by the fabric, and none of her interviews with workers revealed any evidence of union or IMSS protection for workers who have been permanently disabled.

Sanchez, who conducted a systematic study in Mexicali, found that 117 different hazardous materials are imported for the manufacture or assembly of 54 products. These include solvents, alcohols, chlorinated products, ketones, aromatic and organochloric hydrocarbons, acidic and alkaline substances, and heavy metals. These materials can cause problems, depending on how much is used in each process and how long the workers are exposed to them. Many companies have refused to provide information. Sanchez had to go to the Secretariat of Commerce, which is responsible for granting import licenses, to identify these products.

Pollution Also at a Piece Rate

Plants that make plastics, auto parts, and electronic parts and equipment involve the greatest hazards. And these are the ones that predominate along the northern border. In places like Tijuana, Matamoros, and Ciudad Juarez, they account for 50 percent of all industrial facilities.

In his research, Sanchez was also able to learn that large amounts of hazardous substances and unidentified solvents are imported, and their effects are not yet known even at corporate headquarters in the United States.

Workers' statements indicate that, in general, when they go in for medical treatment their symptoms are not recorded as being work-related, which makes it difficult to identify precisely what relationship there is between the work they do and the effects on their health.

In 1988, Sanchez contended that the lack of strict controls on hazardous waste in Mexico was causing problems in every city along the northern border. He noted that in every city there were complaints of illegal handling of hazardous waste, discharges into sewage systems, and the dumping of solid waste in municipal dumps or waterways both inside and outside urban areas. It was not until 1990 that the former Sedue began conducting inspections. Recent evidence suggests, however, that the progress is very slow, he said in an interview. In addition, a new system designed to decentralize federal controls has left environmental protection up to the states, and the implementation of those controls is still in the drafting stage.

In this regard, Jorge Carrillo stated in his most recent report on NAFTA, published by El Colegio de la Frontera Norte, that little is known about the implications of many chemical alloys. Carrillo is the most assiduous investigator of the *maquiladora* industry along the northern border, having authored more than a dozen comparative studies, surveys, and books since the late 1970's. He said that only a handful of the substances now in use have been studied thoroughly. He acknowledged, however, that the environmental problem is certainly more serious in the United States than in Mexico.

The key problem recognized by environmentalists, he said, is not the use of toxic substances in the *maquiladora* industry, but the importation of toxic waste. He argued that the government has not yet taken strong enough action to counter the harmful environmental effects of the *maquiladora* industry, primarily due to its rapid growth.

Sanchez cited an article by Patrick McDonal in THE LOS ANGELES TIMES that reveals that spontaneous fires are common in the municipal dumps of cities like Tijuana and Nogales, and that the firms hired to dispose of the industrial waste of *maquiladora* plants take it to storage centers, and it ultimately ends up in the dumps.

This means that not only are the workers directly exposed to health hazards, which are difficult to detect because of the high turnover of employees, but the population of these cities, now oversaturated with *maquiladora* plants, must live with the harmful effects of hundreds of substances, hazardous residues, unsupervised storage, and accumulated waste.

In spite of that, since the parallel agreements of NAFTA were signed in 1990, it appears that mechanisms can be put in place to protect the environment and occupational health. Sanchez is concerned, however, because all indications are that in the coming years the growth rate of the *maquiladora* industry in northern cities will be 15 percent a year, and that it will spread to the southern part of the country. An expansion of this nature, he said, could represent an opportunity for economic growth in Mexico, but there will be a high social cost to public and occupational health if the necessary precautions are not taken to control the negative effects of this industrialization process.

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The *maquiladora* cities along the country's northern border have undergone spontaneous, uncontrolled, and irrational growth for three decades. The population growth rate is 3.6 percent, 30-percent higher than in the rest of the country, and the demand for housing and infrastructure exceeds the capacity of any municipal budget.

At this rate, the need for day-care centers and schools has never been met. In the last five years, ejido lands surrounding cities such as Piedras Negras and Ciudad Juarez have been settled, and conservative estimates indicate that the demand for housing is rising by 10 percent a month.

Whole families come to live in these unofficial settlements, where small companies that subcontract with the big *maquiladoras* have begun to spring up in cities like Matamoros, Acuna, and Tijuana. Many of these families, who have been driven out of the countryside, come to the *maquiladora* zones only to find that the standard of living is lower than it was back home.

The feeling of impermanence that characterizes the border settlements where the *maquiladora* industry has taken root—because everyone plans to "cross the border"—has given rise to the establishment of what looks like encampments. Working-class colonias frequently sprout in these areas, with housing made of discarded materials (cardboard, plastic, and asbestos sheets). There are more than 40 such encampments in Mexicali, over 100 in Tijuana, 60 in Acuna, and 68 in Piedras Negras. It generally takes five or 10 years for water, sewage, and electricity service to come to these colonias. Because of the climate and the terrain, dust storms are common. The unpaved streets become veritable rivers during the rainy season, and in 1992 there were torrential rains that caused disasters in Tijuana and Mexicali.

According to a study by Guillermina Valdes Villalva, published by El Colegio de la Frontera Norte, urban land has become a valuable commodity thanks to this trend, and in bad financial times speculators periodically appear. Land is sold for more than twice its market value. In Ciudad Juarez, land and rental units tend to be more expensive than in El Paso, its sister city across the border in the United States.

This trend has also given rise to urban organizations that exert pressure on city governments, which complain that they do not have enough resources to meet the demand for housing and services.

Demographic Explosion

Without exception, the *maquiladora* cities face a constant transportation crisis. The president of the Mexicali Maquiladora Association, Sergio Tagliapietra, stated that this is a serious problem. At some plants, such as Arneses y Accesorios de Acuna, workers who finish the last shift at 0200 hours must wait inside the factory until dawn. It is not uncommon for employers to take advantage of this "down time" to do "advance" work, so there is no limit to the length of the workday.

Although efforts have been made to solve the urban problem through housing programs, they are never enough. The Institute of the National Fund for Workers Housing (Infonavit) has built large housing projects alongside industrial parks. There are 30 of them in Tijuana, but every day new unofficial settlements are established. The practice known as "paracaidismo" [urban squatting] is normal in these cities.

Elias Sergio, former mayor of Piedras Negras and promoter of the first industrial parks in the region, attributed "this disaster" to regulations governing *maquiladora* companies, which are required to pay only one percent of their value-added to the municipal jurisdictions where they are located. He contended that though he was once an enthusiastic proponent of the *maquiladoras*, in 20 years the population of Piedras Negras grew from 45,000 to 100,000, and this explosive, uncontrolled growth made it impossible to build the basic infrastructure, so the 68 working-class colonias in the municipal jurisdiction do not have enough water, streets, or sewage service.

In addition, according to the former PRI mayor, this situation has unleashed a serious wave of violence. In the *maquiladora* zones of Coahuila, he said, two additional developments are adding to the pressure: the collapse of the coal industry in Nueva Rosita and of agriculture in the Lagunera region.

Migration, which stabilized during the first half of the 1980's, is a constant problem today. Piedras Negras and Ciudad Acuna are not focal points for migration to the United States, yet today they are suffering the effects of internal migration in Coahuila, the poorest area in the northern border region of Mexico.

After a 10-year period when water and sewage projects took the back seat to other priorities, a water purification plant is finally being built.

Urban Crowding

In the poor neighborhoods of Acuna, newcomers receive constant demonstrations of solidarity from their neighbors. On land measuring six meters by six meters, two houses are built. When asked how the land was acquired, the neighbor cuts in and says, "We bought it, but we do not have the papers yet." Without electricity, water, or sewage, the former residents of the Lagunera region in Acuna founded a huge settlement called Nueva Laguna.

The *maquiladora* leader Tagliaprieta is also annoyed that all transportation in the strip along the border is controlled by groups affiliated with the Confederation of Mexican Workers (CTM). He points out that it is the lack of imagination of state and municipal governments that has prevented the rationalization of the new settlements. This affects productivity, he says, and could discourage new investment.

In Ciudad Juarez, researchers Guadalupe Santiago and Hugo Almada Mireles of the Center for Regional Studies and Alternative Communication (CERCA), discovered that in 1990 the more than 50,000 *maquiladora* employees had 75,000 children who had no access to day-care centers. There are only three centers in the city, and they can accommodate only 930 children. The researchers claim that this adds to the *maquiladora* workers' stress, an occupational illness that is not acknowledged.

Santiago and Almada Mireles found that there was a housing shortage of 45,000 units in Ciudad Juarez in 1990. They noted that since the Infonavit was founded in 1972, it had built a total of 19,917 units in 19 housing projects as of 1991. They say that this and other official housing construction programs have curtailed their activity in the last four years.

The trends seen in this *maquiladora* city, one of the oldest of those established along the northern border since 1965, are seen in all the others as well.

In view of the land shortage, the price of housing today amounts to 15 full years of work at the minimum wage, according to figures compiled by El Colegio de la Frontera. The most modest rental unit in Mexicali costs 300 new pesos, 500 new pesos in Tijuana, and 900 in Ciudad Juarez. In all cases, prices are 25 to 200 percent of the wages earned in factories. An additional problem is that rents in the urban areas are charged in dollars.

Perhaps the issue that has been least studied with respect to the industrialized cities of the northern border region is what happened 20 years ago resulting in the preference for female labor, since it changed family relationships, the roles of men and women, and child-rearing practices.

Lilia Venegas, of the Center for History Studies at the National Institute of Anthropology and History, conducted the only known study on this matter, in 1988.

She found that most of the women became the sole breadwinners in their households, that they worked as many as 101 hours a week, including their domestic chores, and that their only solace was dancing.

Changes Announced in Salinas Administration

PA3011124793 Mexico City XEW Television Network in Spanish 0430 GMT 30 Nov 93

[From the "24 Hours" newscast]

[Text] There were changes in three state secretariats and the Federal District today. Mr. Luis Donaldo Colosio resigned from the social development secretariat and went to the Institutional Revolutionary Party [PRI] to begin his work as a presidential hopeful.

Mr. Colosio made his first appointment; he chose Ernesto Zedillo as coordinator general of his campaign. Mr. Zedillo resigned from the Public Education Secretariat and went to the PRI.

Mr. Fernando Solana will replace Mr. Zedillo by presidential appointment. Mr. Solana resigned from the post of foreign relations secretary and will be public education secretary, the second time he is in charge of that secretariat.

Mr. Manuel Camacho Solis, who resigned from the post of Federal District mayor this morning, will replace Mr. Solana and will now be foreign relations secretary. Manuel Aguilera Gomez will replace Mr. Camacho. Mr. Gomez requested leave as senator and will leave the PRI leadership in Mexico City to become Federal District mayor.

Mr. Colosio will be replaced by Carlos Rojas, who resigned from the post of coordinator of the National Solidarity Program and will be social development secretary.

These are the changes that occurred today in President Salinas' administration.

Salinas Extols Work Performed by Colosio

PA3011133793 Mexico City XEW Television Network in Spanish 0430 GMT 30 Nov 93

[Report by Gabriela Resendez; from the "24 Hours" newscast]

[Text] Mexican President Carlos Salinas de Gortari emphasized today the work performed by former Social Development Secretary Luis Donaldo Colosio. Mr. Colosio resigned from the post to fully dedicate his time to his campaign as Institutional Revolutionary Party [PRI] presidential hopeful.

President Salinas de Gortari appointed today Mr. Carlos Rojas, who had been working as National Solidarity Program coordinator, to replace Mr. Colosio.

The president gave a speech to representatives of the National Solidarity Program committees on the roof garden at Los Pinos official residence. He said that Mr. Rojas dedicated all of his energy, conviction, and social sensibility to the National Solidarity Program. President Salinas also referred to the PRI presidential hopeful.

[Begin Salinas recording] This is undoubtedly a beautiful day. [crowd answers: "Undoubtedly"] This is undoubtedly a day of enthusiasm and hope for those who work in a solidary manner. There is an option for the future on which Mexicans will adopt a decision. That option is Luis Donaldo Colosio. [crowd applauds, shouts: "Bravo!"]

As president of the republic I had the privilege of counting on his dedication and friendship. I saw him work hard in favor of those who have less. Luis Donaldo Colosio is fully committed to our society. I watched him analyze and propose plans at the economic cabinet with great seriousness and knowledge during its multiple work sessions.

Luis Donaldo Colosio has a strong commitment with the country's economic stability. I saw him participate as legislator and political leader. Luis Donaldo Colosio has a true democratic sensibility. Because his virtues in the social, economic, and political sector are great, I must tell you that what I have always recognized in him is his firm conviction in favor of our homeland's sovereignty.

Luis Donaldo Colosio deeply loves Mexico. Due to this, due to his artlessness, and due to his courage, Mexico now has a great option. My gratitude to Luis Donaldo Colosio for the loyalty with which he always worked with me. [end recording]

Colosio Profiled

PA2911150793 Mexico City Canal 13 Television Azteca Network in Spanish 1336 GMT 29 Nov 93

[Report by Francisco Trejos for the "Good Morning From Mexico" newscast]

[Text] Finally the party's wait has ended. One name, one man broke the silence: Luis Donaldo Colosio Murrieta. Colosio, who until today was the country's social development secretary, will head the PRI [Institutional Revolutionary Party] ticket in the 1994 elections. But who is the PRI presidential candidate for the presidency of the republic?

Born in Magdalena de Kino, Sonora State on 10 February 1950, Colosio went to school [estudios basicos] in his home state. In 1972 he began studying economics at the Technological Institute of Monterrey, where he received an honors award and the highest grade point average in his class. In 1974 he began postgraduate studies in Regional Development and Urban Economics at the University of Pennsylvania, Philadelphia, where he got his Master's Degree in regional development. He was later invited to spend two years as an academic researcher at the International Institute of Applied Systems in Vienna, where he continued studies in Mexico's regional and urban development.

[Begin Colosio recording, broadcast in progress] ....commerce and the policies to preserve and conserve the environment are very much related. This will allow us to

promote development and meet the goals set by sustainable development. [end recording]

In 1979 Colosio began working for the Secretariat of Planning and Budget as adviser to the Directorate of Macroeconomic and Social Policy. He was later promoted in 1980 to deputy director of regional and urban policy.

[Begin Colosio recording, in progress] ....to grow to meet the social needs of a growing society such as ours. We must meet the need for schools, roads, medical centers, and employment. [end recording]

In 1982, he was appointed general director of planning and regional budget of the Secretariat of Planning and Budget, where, among other responsibilities, he was responsible for preparing regional programs and state plans. In 1985 he was elected federal deputy for Sonora State during the 53d legislature of the Chamber of Deputies. There he presided over the Commission of Programming, Budget, and Public Accounts.

Colosio, also a researcher and professor at the Colegio de Mexico, Anahuac University, and the National Autonomous University of Mexico's National School for Professional Studies, Acatlan, served as technical secretary of the Planning Committee of the Federal District. In 1987 he was appointed a senior official at the PRI National Executive Committee, and later that year he was named general coordinator of Carlos Salinas de Gortari's presidential campaign.

In July of 1988, Colosio was elected federal secretary for his home state of Sonora, and in December of that same year he was named chairman of the PRI National Executive Committee.

[Begin Colosio recording] Yes, I swear. [applause]

In April 1992 he was designated urban development and ecology secretary, and in May of the same year he was appointed secretary of Social Development, a position he held until today, when the PRI Political Council selected him to lead the PRI ticket in the 1994 elections.

Opposition Parties React to PRI Selection

PA2911170693 Mexico City Canal 13 Television Azteca Network in Spanish 1353 GMT 29 Nov 93

[Report by Carmen Aristegui from the "Good Morning, from Mexico" newscast]

[Text] As we have said, there have been several reactions to Luis Donaldo Colosio Murrieta's appointment as presidential candidate designate for the PRI [Institutional Revolutionary Party]. Aside from the vast support his candidacy has received, there has also been several criticisms from the opposition with respect to this political event.

National Action Party [PAN] President Carlos Castillo Peraza criticized the way the PRI designated its candidate for the 1994 presidential elections. He said that his party favors a debate between the various presidential candidates.

Everything seems to indicate that all the political parties support the idea of a debate. The only problem now lies in knowing when and how it will take place.

[Begin Castillo recording] The PRI could not even repeat its competitive ritual of six years ago and instead resorted to an old-fashioned appointment. Furthermore, the party failed to respect time periods and rules it had spoken of publicly. Everything points to the fact that the PRI is not capable of running the risk of democratically electing its own candidate, which I believe is bad for Mexican democracy in general.

Moreover, the fact that Mr. Colosio was with the Social Development Secretariat makes us fear that the electoral campaign will revolve around passage of government social programs. If this is not corrected in a timely and substantial manner, I think the campaign will be very unfair.

As you know, the PAN set forth a public debate bill, and as a member of the party's National Executive Committee, I support our deputies' initiative, although it must undergo changes because it was prepared within a different legal electoral context. However, I would be very pleased to see the presidential candidates publicly debate proposals, theories, and points of view concerning the national situation and ways to resolve the problems affecting the 40 million Mexicans living in poverty. [end recording]

Meanwhile, the Party of the Democratic Revolution [PRD] members said that the PRI presidential candidate's appointment did not come as a surprise because the government had to ensure continuismo.

[Begin Recording] [Gilberto Rincon Gallardo] It is clearly a case of continuismo. I do not think it is surprising. Over time it has become clear that the Salinas administration's idea is to make all of its later actions visible for up to 20 years. The administration needed a successor who would be a true follower of Salinism. I think we will have continuismo, not continuity. We will have nothing new to look forward to.

[Marcue Pardinas] We should have a really civic race and Colosio should be the real candidate of the people who support him, without any influence whatsoever from anyone. He must prove at once that he is an independent candidate. [end recording]

PRD presidential candidate Cuauhtemoc Cardenas Solorzano also made newsworthy remarks. He welcomed PRI presidential hopeful Luis Colosio to the 1994 electoral race and invited him to publicly debate the two parties' projects, saying it would be advantageous for the country's civic life. Cardenas issued a communique

inviting Colosio to discuss national concepts, government proposals, and their respective diagnoses of the difficult conditions in which millions of Mexicans live. This, he said, will allow the Mexican people to evaluate traditionally antagonistic political parties' proposed solutions for each of Mexico's complex problems.

Cardenas emphasized that he will be looking forward to Colosio Murrieta's answer and will insist on obtaining one. However, as was already mentioned, in his acceptance speech yesterday Colosio spoke precisely about debates among candidates.

Editorials View Colosio's Designation

PA2911202993 Paris AFP in Spanish 1530 GMT 29 Nov 93

[Text] Mexico City, 29 Nov (AFP)—Mexican newspapers today headlined the designation of Luis Colosio as Institutional Revolutionary Party [PRI] presidential candidate and highlighted his commitment to hold open debates and follow the present policy. PRI has been the ruling party for the past 64 years.

In an editorial entitled "Colosio Offers More Progress", EL FINANCIERO wrote: "This time, more than ever, it is essential for the electoral campaign to be pure, civilized, and believable, so that it can represent substantial progress in an area where undesirable bad habits—some of them very old—have been observed."

EL UNIVERSAL entitled its editorial like this: "Colosio Offers To Implement a Deep Social Reform" and continued to write: "As PRI's standard bearer, Colosio pledges to end populism and demagoguery. (....) In the next few years, it will be impossible to sidestep the problems derived from growth in a new socioeconomic environment. Immediate results from the government actions aimed at poverty and misery must be observed."

"Unveiled" by the top PRI leadership on 28 November, Colosio must run against Cuauhtemoc Cardenas of the center-leftist Party of the Mexican Revolution [PRD] and Diego Fernandez of the conservative National Action Party [PAN] in the 21 August presidential and legislative elections.

LA JORNADA cited "Colosio's discipline and loyalty to President Carlos Salinas" and highlighted phrases in the candidate's speech, including "his pledge to combat poverty and misery, his rejection of populism and demagoguery, and his purpose to reinforce democracy."

UNOMASUNO editorialized: "It is more than healthy that the PRI candidate has expressed determination to debate with his adversaries the great local problems and their probable solutions." The paper writes: "A genuine desire for triumph should not lead to a morbid ambition for power or an aggressive spirit that would turn the presidential elections into a fertile ground for ripping the country apart."

According to the government newspaper EL NACIONAL, "since yesterday Mexico is living a new and exciting experience. Now we know the name of the leader who will receive the banner from President Salinas' hands. Just as we know that future transformations cannot be stopped, we also know that a new style, inspired in a generation of change, will continue to modernize the country."

Finally, NOVEDADES said: "Colosio pledges to ensure a brighter future for Mexico. The continuation of Salinas' economic, social, and growth policies is guaranteed. Mexico is moving to its own special place in the international community. The first step in the handover of the banner is satisfactory, and the certainty that we will continue on to a national victory is true indeed."

Salinas Submits Economic Reform Initiatives

PA2611145193 Mexico City Radio ACIR Network in Spanish 0200 GMT 26 Nov 93

[Report by Elizabeth Diaz Otero; from the "Investing in Mexico" program]

[Text] Following the legislative ratification of the North American Free Trade Agreement, President Carlos Salinas de Gortari submitted to Congress on 25 November various economic and financial reform initiatives to numerous laws.

He proposed the regulation on establishing and operating foreign financial intermediaries in our country. The president explained that economic globalization demands the internationalization of financial services to increase competition within our financial system by benefiting consumers, promoting savings to ensure that more resources are channeled to production investments, and facilitating international transactions.

Let's recall that NAFTA negotiations included a chapter that permits the offering of transborder financial services among Mexico, the United States, and Canada. Borders will be opened to the financial services of other countries to ensure that our country reaps greater benefits from competition.

President Salinas underscored that this financial opening will occur gradually and in such a way that it will not jeopardize Mexican financial institutions before they have had a chance to prepare themselves to compete.

The chief of the federal executive also sent to the Chamber of Deputies a bill to reform 26 articles of various laws related to NAFTA. The goal is to maintain consistency between national legislation and the trade agreement.

Among the modifications now under legislative branch consideration are: four articles of the Foreign Trade Law

to facilitate the operation of mechanisms to settle differences on unfair trade practices and an article of the Customs Law to facilitate the application of NAFTA rules in regional trade.

There are also three articles on the federation's Fiscal Code; an article on the federation's Basic Law of the Audit Office [tribunal fiscal]; seven articles on the Law of Professions; five articles on the Expropriation Law; an article on the Basic Law of Pemex [Mexican Petroleum]; and an article on the Public Energy Service Law.

Finally, the modification of four article on the Federal Copyright Law was also submitted for congressional consideration.

Presents Foreign Investment Bill

PA2811200493 Mexico City XEW Television Network in Spanish 0435 GMT 26 Nov 93

[Text] President Carlos Salinas has sent a foreign investment bill to the Chamber of Deputies for review. The bill lists those economic activities exclusively reserved for the Mexican state—activities in which foreign investments are prohibited. These activities include those pertaining to oil and hydrocarbons, basic petrochemistry, electricity, generation of nuclear energy, radioactive minerals, satellite communications, telegraphy, radiotelegraphy, postal services, railroads, the printing of paper money, and the minting of coins. Mining and oil byproducts are excluded. The foreign investment bill presented to the deputies also outlines those economic activities exclusively reserved for Mexicans or Mexican corporations. These activities include surface passenger transportation, tourism, and freight transportation. They exclude courier and parcel delivery services.

Calls For More Training

PA2711192493 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 25 Nov 93

[Text] Barely 36 days before NAFTA is scheduled to go into effect, President Carlos Salinas confirmed that Mexico is now obligated to respond to the challenge of efficiency because the country will no longer engage in protectionism. He added that a deadline has been set for Mexico to become more competitive. He also warned that unless workers are better trained the nation will not be able to face the demands of an international market where there is cutthroat competition. Here is what President Salinas said:

[Begin Salinas recording] We will heighten actions to better and more broadly train our workers. Specifically, the National Financial Bank [Nafinsa] has indicated it already has earmarked 1 billion new pesos to finance diverse activities linked to training. [end recording]

The president's message came in response to the private sector's demands for soft loans to invest in worker training. President Salinas explained that in the framework of an open economy, better trained workers receive higher salaries, while companies register increased productivity. The president also asked the private sector to invest more resources in technological research.

[Begin Salinas recording] Now, either you channel these resources, or you are not going to be competitive with other nations. [end recording]

Two prizes were awarded at Los Pinos Presidential Residence. President Salinas delivered to Emilio Rosenbleuth the National Engineers Prize and then delivered the 1993 Training Awards to Nafinsa, the Mexican Petroleum Institute, and [words indistinct].

Solana: Republic Determined To Be Competitive

PA2611125793 Mexico City NOTIMEX in Spanish 2159 GMT 25 Nov 93

[Text] Mexico City, 25 Nov (NOTIMEX)—Mexican Foreign Secretary Fernando Solana Morales has said that "Mexico is determined to be competitive and more efficient in world markets and to explore the possibility of carrying out shared-benefit economic projects with other nations."

With the Mexican Senate Plenum present, Solana said that Mexico's participation in world affairs should not lead to confusion, "because Mexicans will continue to defend Mexico's interests and aspirations." He said that reinforcing national sovereignty is a basic premise of Mexico's foreign policy.

After making a comprehensive assessment of Mexico's international activities during the past 12 months, Solana said that political, economic, and commercial diversification is the fulcrum and basic strategy of this policy.

He also said that NAFTA will stimulate the flow of goods, services, and capital. "Those who regard NAFTA as a means to transform the Mexican people's forms of coexistence and ways of life are wrong," he said. Solana said that Mexico does not desire cultural and political uniformity with North America but that Mexico does aspire to establish a constructive and respectful relationship that can result in benefits and progress for the three member countries.

He said that on 1 January 1994 the world's biggest free trade zone—with a gross national product of more than $7 trillion and a population close to 370 million—will be created. Regarding common border problems, he said that Mexico condemns the building of walls, the application of blockades, and the detachment of military personnel at the border area. "Although these measures are a sign of sovereignty, they are unfriendly, hamper coexistence among communities, and harm relations between the two peoples."

Solana said that Mexico will continue to defend human and labor rights of Mexicans living in the United States. He added that excluding nationalism, xenophobia,

immigration, the serious discrepancies in economic development, and the crumbling of alliances are a thing of the past.

Regarding foreign policy, he said that Mexico is determined to promote national interest on realistic bases. "Mexico is determined to become as flexible as changes demand and as efficient as a society open to the world demands."

With the senators of the three political forces that make up the Senate present, Solana said that Mexico has diversified its trade with the four corners of the world; hence, it has increased its ties with Europe, Latin America, and the Caribbean, as well as with the Pacific Basin, Asia, and Africa.

Referring to Cuba, Solana said that in view of the difficult situation on the island, a situation aggravated by terrible natural disasters, Mexico has maintained its trade and cooperation projects with Cuba. "A growing number of Mexican businessmen do business in Cuba and take advantage of Cuba's opening economic opportunities."

He said that Mexico and the world require a United Nations system different from that of the cold war and that this is why the UN's democratization has been proposed. He finally said: "We will continue to insist that the OAS should become a mechanism for balance, not for polarization and interference with the member countries' internal affairs." Dialogue and cooperation should be the means used to resolve the disagreements prevailing in our hemisphere.

Serra Puche on Rules for Merchandise Importation

PA2711035193 Mexico City Radio ACIR Network in Spanish 0200 GMT 26 Nov 93

[Report by Juan Carlos Santoyo; from the "Investing in Mexico" program hosted by Efren Flores]

[Text] A gradual transition scheme for the importation of merchandise from the United States and Canada was revealed during a meeting of the Joint Committee for the Promotion of Industry and Commerce [Comision Mixta para la Promocion de la Industria y el Comercio—Compic] at the northern border and free zones.

At the presentation of this program, Commerce Secretary Jaime Serra Puche pointed out that this mechanism will block access to Mexico of low quality merchandise [mercancia chatarra]. He pointed out that those who have claimed that this will happen as soon as NAFTA takes effect are wrong. After pointing out that the trade agreement signed with the United States and Canada seeks to clearly regulate the exchange of merchandise at the border area, Serra Puche added:

[Begin Serra Puche recording] There are two important aspects: First, the free trade agreement includes transition periods of up to 15 years to prevent any abrupt change in the trade flows, and second, it includes a chapter on rules and standards to safeguard the product quality. [end recording]

The head of Secofi [Secretariat of Commerce and Industrial Development] also told Compic members that the sanctioning of taxes at the country's free zones with our new trade partners will be implemented over a seven-year period, beginning in 1994. He added that no taxes other than current ones will be paid during this period.

At this meeting attended by six secretaries of state, leaders of business organizations, and governors of eight border states, it was announced that one-month import permits will be expanded to three months in response to the needs of organized trade. Compic members also defined the years and models of vehicles that may be imported to the free zones of Baja California, (Parcial) in Sonora, Baja California Sur, and the border area [not further specified].

Vehicles acquired between 1994 and 1997 must be four-years old; in 1998 automobiles must be six-years old; between 1999-2008 these vehicles will be regulated by a usage table of up to nine-years. Rules established by NAFTA will be applied beginning in 2009. The possibility of importing 12.5-ton gasoline trucks of up to 20-years old beginning in 1997, was also announced.

PAN Candidate: 'Fraudulent Maneuvers' in Yucatan

PA3011033193 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 29 Nov 93

[From "Good Morning from Mexico" newscast]

[Text] Several charges have been made against the elections in Yucatan. Ana Rosa Payan, PAN's [National Action Party] gubernatorial candidate for Yucatan, said that during Sunday's elections there were fraudulent maneuvers by the PRI [Institutional Revolutionary Party], while violent actions and theft of ballot boxes were carried out by PRI sympathizers who were supported by the police. These charges were made by Ana Rosa Payan, Merida's mayor on leave. Here is what Ana Rosa Payan said to reporter Epigenio Ibarra:

[Begin recording] [Ibarra] What is your impression of the elections? How did they take place?

[Payan] The elections can be divided, there were in fact two elections. We observed that in Merida there was a large voter turnout, the tendency is favorable for PAN, until now. The other.... [pauses] First I would like to clear up that here in Merida there have been acts of violence, ballot boxes have been stolen by members of the official party. It goes without saying that they were protected by the police. There are even accusations of police patrol cars taking away ballot boxes. In the rest of

the state, violence has been across the board in some municipalities. The San Marcos election is null. We were unable to see one tally sheet because all the PAN members who were in charge of guarding the voting tables were removed. There are even municipalities where mayors have stolen the ballot boxes; representatives were purchasing votes. This is truly regrettable, particularly on the day when the official party candidate was made public. What a way to tarnish an event.

[Ibarra] Are we going to see post-electoral conflicts in Yucatan?

[Payan] Yes, we are.

[Ibarra] You said that the state is going to go up in flames.

[Payan] Well not really, that is merely an expression. But, we are definitely going to protest all the irregularities that have taken place. We do not believe it is fair to the people of Yucatan who have made a great effort to act in a civic manner and to participate so actively in these elections. The official party, once again, has engaged in old tricks, in [words indistinct] on more than one occasion. Well, it is natural, when one is not democratic inside the party it is very difficult to be democratic to those outside.

[Ibarra] Thank you. Well, that is your opinion.

PRI Candidate Makes Countercharges

PA3011041993 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 29 Nov 93

[From the "Good Morning From Mexico" newscast]

[Text] Federico Granja, PRI [Institutional Revolutionary Party] [gubernatorial] candidate [in Yucatan], said there should be no more arguments; the people's decision should be respected. He mentioned the instigations promoted by PAN [National Action Party]. As you know, everyone sees things from his own perspective. Let us hope, however, that the state electoral commission will issue its ruling, not from the perspective of any single party but from a deep analysis of what truly happened. Here is what Federico Granja said to Epigenio Ibarra.

[Begin recording] [Ibarra] So, you won the big prize.

[Granja] This electoral process has given me great satisfaction. A great effort was made to have a large voter turnout, there was a great deal of rivalry in the elections. I believe the effort has given results. According to the information we have, we are way ahead with a large possibility of winning. This allows me to see that my people have responded. With the people on your side, everything can be done. That prize that you said I won, I will pick it up and use it as a spearhead for Yucatan's progress.

[Ibarra] The PAN candidate has just told us there could be post-election conflicts.

[Granja] I don't think there should be any conflicts because this is a process in which many Yucatan residents have participated by guarding the ballot boxes. I do not think there was one election table that did not have representatives from several parties. Each party has its documents. We have ours, and we are able to see that we are ahead in the state count. There is a great deal of competition in Merida, although our side is favored, more than half still have to be (?counted). I believe this is a process that took place with a great deal of force, with a great deal of participation. There have been a many instigations. We have overcome this. It is late in the evening now, I believe things are turning out all right. In my opinion, only the electoral institution should debate this to put an end to something that should have concluded today and tomorrow should be a new road to the future.

[Ibarra] Thank you very much. We appreciate your being here. [end recording]

Poll Shows 74-Percent Approval Rating for Salinas

PA2611173893 Mexico City NOTIMEX in Spanish 2213 GMT 25 Nov 93

[Text] Mexico, 25 Nov (NOTIMEX)— According to a recent poll by the international firm Indemerc/Louis Harris, 74 percent of all Mexicans approve of and consider President Carlos Salinas de Gortari's performance as "excellent or very good."

The poll results on the president's approval and the free trade agreement, which were requested by the National Chamber of Radio and Television Industry, were presented today to President Carlos Salinas de Gortari.

"The Harris Poll" survey, with more than 30 years of worldwide experience, was first used in Mexico on 19, 21, and 22 November to measure presidential acceptance and the population's position regarding approval of the free trade agreement.

Indemerc/Louis Harris stated that after the passing of the free trade agreement in the United States, President William Clinton obtained a 51-percent approval rating describing his performance from "excellent" to "very good." The firm also cited the fact that during his most popular moments, George Bush reached an 83 percent approval rating in March 1991, and Ronald Reagan reached 71 percent during his second term.

The firm also polled voters on election preferences and recorded a similar trend as that observed in the United States.

"In the United States there was a noticeable fall in preferences for Ross Perot, who opposes the trade agreement, while a similar trend was observed in Mexico

toward the Democratic Revolutionary Party [PRD], which barely reached a 7-percent approval rating."

"The Institutional Revolutionary Party [PRI] has consolidated itself as the first electoral force to attract 65 percent of voters' preference, followed by the National Action Party [PAN] with 18 percent, and the PRD with 7 percent," the consulting firm's report states.

According to the public opinion poll, Salinas de Gortari arrives at the end of his fifth year in office with a high popularity rating. Seventy-four percent of all Mexicans describe his presidential performance as "excellent" or "very good."

The consulting firm also discloses that other independent evaluations made in Mexico on President Salinas de Gortari's performance confirm that "he will be beginning the last of his six years in office with very high approval ratings."

Indemerc/Louis Harris stated that in a study conducted by IMOP-Gallup of Mexico during mid-November, 73 percent of all polled individuals expressed their agreement with the way the president is governing.

A poll conducted for the Los Angeles newspaper LA OPINION and for the Telemundo Television Network by Bendixen and Associates indicates that 74 percent of the population thinks that President Salinas has performed well.

"An Indemerc/Louis Harris poll in the cities of Mexico, Guadalajara, Monterrey, and Merida shows that 76 percent of Mexicans in those urban areas like the way President Salinas is governing Mexico."

The poll indicates that the head of the Mexican executive branch enjoys a favorable image among Mexicans. He is considered, by a broad majority, as a strong leader (73 percent), as someone who defends his beliefs strongly (70 percent), and as an effective person because he achieves his goals (68 percent).

The population also thinks that he is a president who has achieved prestige and admiration among Mexicans (68 percent) and abroad (75 percent).

This opinion, the polling firm noted, seems to be based on sweeping changes that have taken place throughout the current six-year term. "Although many have not yet benefited from these changes there is among them an evident hope that this will soon happen," the firm added.

It also shows that a majority of the population believes that the free trade agreement is good for the country. Of those polled, 51 percent favor the treaty, 21 percent "do not care," and only 14 percent oppose it.

The firm stated that those polled think that the trilateral treaty is viewed favorably by Mexicans as a means to develop but not as the definite and sole solution to the country's problems.

"Although a majority of the population thinks that the trade agreement will help Mexico start integrating itself into the group of developed countries (57 percent), a majority also thinks that we could develop without it (52 percent)," the firm added.

Guatemala

President De Leon on Expectations for U.S. Trip

PA2911232093 Guatemala City Teleonce Television in Spanish 1900 GMT 29 Nov 93

[From the "Telepress" newscast]

[Excerpts] President Ramiro de Leon Carpio left this morning for the United States to participate in a meeting with U.S. President Bill Clinton and the Central American presidents. Vice President Arturo Herbruger Asturias assumed the presidency temporarily. [passage omitted]

[Begin recording] [De Leon] I was appointed by the presidents to act as their spokesman during a private meeting tomorrow with President Clinton and at the news conference we presidents will hold. The meeting, which will be a working meeting, will address regional matters and not bilateral matters. The main points will include NAFTA. As you know, the treaty provides an opportunity for free trade expansion, and Central America is very interested in being included in such an expansion and becoming a member of NAFTA, in accordance with the agreement itself. We have a specific proposal for talks to begin on Central American participation, which we will present at the meeting. Another issue is environmental rights, or human rights and the environment. We will approach this issue to try and get free trade to comply and respect such rights.

We will also address foreign aid. I think the current moment in world history, as well as the United States and Central America, places us in a different position. We are no longer in a paternalistic relationship, in which we request direct aid from the United States. What we are seeking now is reciprocity; to have an opportunity for Central America, especially after recently signing the Central American Economic Integration Protocol, to compete freely and without obstacles or barriers, in an open and natural market as are Mexico, the United States, and Canada.

We will also deal with government and democracy. The countries of Central America have given signs of consolidating our democracies. There have been some problems in Guatemala, however, and we have managed to overcome them. Proof of this is the fact that the various sectors which make up Guatemalan society have shown their will, during the last five months, to employ peaceful, legal, and constitutional means to solve their problems after 25 May, as well as overcoming the political crisis. In addition, we will address economic adjustment and the Caribbean Basin Initiative, to obtain some sort of benefit for Central America.

[Unidentified reporter] What do you expect from the meeting with President Clinton?

[De Leon] First we expect to gain access to NAFTA for Central America. The agreement is a reality, and although this is the single largest and strongest economic bloc in the world, we must view it positively. There are risks but there are also advantages and we have the time to prepare and compete, naturally within the proper perspectives. I think this is very positive because we are the geographic head of Central America, which brings us closer to the economic bloc, and because of Guatemala's production capability. What we really want is specific aid. I do not mean economic aid but a chance to receive reciprocity, which will allow us the true opportunity to trade freely. This is in addition to other achievements we may manage.

Another door opens with regard to the Clinton administration, which by the mere fact of inviting us shows its interest for the countries of Central America and the Caribbean, and this is something we must take advantage of not just on this occasion, when we are going at the regional level, but also later at the level of bilateral aid and bilateral relations between countries.

[Reporter] Will the topic of bananas be included in the meeting, Mr. President?

[De Leon] Yes, this is one of the points I will broach during the introduction. I will first express thanks for the support the United States has given Central America on the matter of the situation in the EC. We will ask that country to continue to support us so that through the Uruguay Round we may be allowed a negotiated solution with the EC and allowed to compete freely, contrary to the situation that exists now. [passage omitted] [end recording]

Five Killed in Helicopter Crash 27 Nov

PA2911172493 Hamburg DPA in Spanish 1649 GMT 29 Nov 93

[Text] Guatemala City, 29 Nov (DPA)—Five military personnel were killed in a helicopter crash while enroute to El Peten Department, northern Guatemala, reported Defense Minister General Mario Enriquez, who was quoted by the local newspaper PRENSA LIBRE, today.

The accident occurred the afternoon of 27 November, but the information was confusing up to 28 November because the aircraft crashed in an area difficult to reach. The reported casualties include one lieutenant, two corporals, and two aircraft technicians, while the pilot, a lieutenant, was injured.

Moreover, PRENSA LIBRE also published today a report stating that guerrillas are charged with shooting down the aircraft with a Soviet-made surface-to-air missile. The Army has denied this version, attributing the crash to a mechanical failure.

Roundup of Economic Developments Through 29 Nov

PA2911231293

[Editorial Report] The following is a compilation of reports on Guatemalan economic developments monitored through 29 November. Source is cited in parentheses following each item.

Guatemala City, 24 Nov (NOTIMEX)—The Inter-American Development Bank [IDB] on 24 November approved a $132-million loan to Guatemala to support economic and social programs, IDB representative to Guatemala Carlos Binnetti has reported. He said these resources were negotiated during the last year at preferential interest rates. Binnetti also highlighted the effort undertaken by President Ramiro de Leon Carpio to streamline the economic program and fight poverty. (Mexico City NOTIMEX in Spanish 0120 GMT 25 Nov 93)

Honduras

President-Elect Reina Interviewed

PA2911174693 Tegucigalpa Voz de Honduras Network in Spanish 1250 GMT 29 Nov 93

[Interview with President-elect Carlos Roberto Reina by reporters Francisco Valeriano Giron, Roberto Reyes Pineda, and Lourdes Bonilla at Reina's home in Tegucigalpa on 29 November—recorded]

[Text] [Reina] I thank you for coming to my house. You have witnessed the great emotion that the people feel, an emotion that became evident this morning. I feel a further commitment with my people, who have reiterated their confidence in me.

To win a political battle after a long struggle is a big reward for me. I have always felt that our principles, doctrine, and party would claim that victory. We worked hard and victory is ours today.

[Giron] President Callejas has already congratulated you. The National Party candidate has also recognized your victory. What can you tell President Callejas and Ramos Soto?

[Reina] I was very moved by their congratulatory message and noble attitude. I hope to meet with them soon. I hope President Callejas will call me soon, because he is leaving for Washington, D.C., on 30 November to attend a meeting of presidents. It has always been customary that if there is a president-elect, he must attend that type of meeting. This is done because the president-elect is the main figure for the next four years. I spoke about it with the president briefly, and let us hope that this is what will be done.

[Reyes Pineda] You presented specific guidelines for work in your campaign. The people chose you. What are the real possibilities that your philosophy will work? What do you think of the economic model and the reorganization that could be executed in the economic sector?

[Reina] The challenge for those who enter politics is just that: to keep their promises. I do not have just theoreticians. I have the human team that will work with me to carry out all of the projects. I have the necessary team to rule this country.

[Giron] Olan Valladares would also like to meet with you; when will you meet with him?

[Reina] We are great friends. I respect and admire him. I think he has improved his party's position, and that is a credit for him.

[Giron] Let us speak of the immediate future. Can we talk of a cabinet that will accompany your administration? How will it be formed? What will be your basis to choose your immediate collaborators?

[Reina] For more than a year I had shadow cabinets. With them we will organize the new government. They are people who have trained in the job, especially in certain areas. Some of them have visited international organizations. All of this leads us to believe that on 27 January we will not begin improvising or looking for names; on that date we will already have the team that will lead the Honduran state.

[Reyes Pineda] You mentioned shadow cabinets; will they be the people who will make up the real cabinet, or will you choose experts, as you said, instead of politicians to manage, at least, economic aspects.

[Reina] There is some confusion here. Shadow cabinets are commissions. There are approximately 250 doctors who are involved in the health commission. We will choose personnel from them. The same applies to other sectors of public administration. We have teams of well-trained people who can take charge of the most important ministries.

[Giron] With more than 1 million votes counted and a clear lead over Ramos Soto, what is your reaction?

[Reina] There is a difference of more than 11 points over our main adversary, the National Party. We had contemplated this in our projections. This is a great victory for democracy and the Honduran people; in addition, I believe that the peaceful transfer of power has gained stability, and this is the basis for democracy to work. The people are very enthusiastic, because they have felt the immense pleasure and emotion to conquer power with very clean weapons.

[Reyes Pineda] What is your immediate program? Will you meet with President Callejas in the next few days?

[Reina] It will be a great pleasure; we are friends. We are going to discuss the state's finances and the country's general situation; in addition, we will talk about the

activities for the next two months to make the transition from a nationalist to a liberal government as smoothly as possible.

[Giron] Do you think changes in the government structure will be big?

[Reina] Changes will be made for the people's benefit. They are logical and necessary changes. We must fight corruption and drug trafficking. We must defend the environment, foment tourism, and improve health and education. In sum, there are many ideas and projects, and I am certain that we can implement them with the team we have.

[Reyes Pineda] One of your campaign slogans was: I am going to cut the robbers' nails with a machete.

[Reina] That was a metaphor. The nails represent the thieves. The machete was the tool that National Party members gave me. The party members said: Man, use your machete! Thus, I am using it so that there will not be any corrupt officials in the new government.

[Reyes Pineda] The thieves are not only among National Party members, however. I imagine you are talking about thieves in all sectors of Honduran society.

[Reina] I have never said that Nationalist Party members are the only thieves. I mean the criminals; those who misappropriate the people's funds will be punished. Impunity is a more serious offense than stealing itself.

[Giron] Will the deputies choose the congressional board of directors, or will you suggest the board members in your capacity as president, but most of all as Liberal Party leader?

[Reina] After a victory like this, the president has a great moral authority to meet with the deputies, to listen to them, and to discuss with them who will head the legislature. We will meet with people who have great respect for their party and the Liberal Party victory. We will make a joint decision on the names for the board of directors.

[Reyes Pineda] You have made some offers; in fact, specific names have been mentioned for certain ministries. Can you confirm this?

[Reina] I have made two offers: the natural resources minister portfolio for Dr. Ramon Villeda Bermudez, and the finance minister portfolio for Jorge Bueso Arias.

[Bonilla] Will the economic measures continue to be the same under the program for structural economic adjustments, or will they change?

[Reina] One cannot begin a government by whitewashing everything. We will review all those measures; many of them will be eliminated, and others will be implemented.

[Reyes Pineda] Regarding your cabinet, you only mentioned two appointments. I imagine, however, that you practically have your cabinet formed, but you have not disclosed the names of the appointees.

[Reina] I have shadow commissions. It is a system that has given me great results. My government platform is the product of approximately 1,000 people who make up the commission. All of them have been working hard. It is a great problem for a president to choose the people with whom he will work. There are always the compadres or the childhood friends, but that is not for what I am looking. I am looking for people who will show their ability and can compete with other professionals in the same sector. This is how we will pick the best men.

[Bonilla] You said that you would keep your campaign promises in 100 days. What will be the first benefits that Hondurans will receive?

[Reina] During the first 100 days, the first benefit will be a Supreme Court that will be as good as the task it has to perform. The second big benefit will be measures to control corruption. Another great benefit will be the kind of people who will be appointed to the ministries. These are simple measures, but they were not implemented before due to vested interests.

[Reyes Pineda] How are your relations with the Armed Forces?

[Reina] Very good. I am a friend of their leaders. I have nothing against them. Everything will be done for the benefit of Honduras. They are involved in the reduction carried out by the government. We must sit with them and reach agreements.

[Giron] There has been a controversy about the other two government branches in recent days. It has been said that Carlos Roberto Flores will be the Congress president, and names are being suggested for the Supreme Court.

[Reina] Many things are being said. I have mentioned my real commitments.

[Reyes Pineda] Regarding the state prosecutor, do you favor the idea of appointing one to control corruption in the state?

[Reina] That is one of the posts that will disappear. We must reorganize the system that defends state funds. This is one of the big tasks ahead. We must improve the system. Without an organization that will control the funds, with powers, and with state prosecutors...[pauses] There is a new objective to make the control of funds much more effective.

[Giron] You said today that you will not accept secret funds.

[Reina] I reiterate: I will not accept secret funds.

[Bonilla] How will you fill Hondurans' stomachs? People voted for you to see a solution to that problem. What will you do about the high cost of staples?

[Reina] We must improve the country's economy. We must help the 60 percent of people who only know how to plant corn. They must be helped. If we do not sell supplies and machetes so expensively to them, they can improve food production, which is something fundamentally important for our government.

[Reyes Pineda] What do you have to say regarding international relations and the policy of blocs?

[Reina] It is not a system of whether one supports it. The world has changed, and blocs have been formed. We must get closer to them and negotiate with them. I already have some names of individuals who will prepare the transition from the government of Callejas to the government of moral revolution.

Resources Minister-Designate Interviewed

PA2911162993 Tegucigalpa Voz de Honduras Network in Spanish 1305 GMT 29 Nov 93

[Telephone interview with Ramon Villeda Bermudez, who will be confirmed as natural resources minister as offered to him by Liberal Party candidate Carlos Roberto Reina during the election campaign, by an unidentified reporter in Tegucigalpa—live]

[Text] [Reporter] Dr. Villeda, are you willing to accept the post of natural resources minister, which Carlos Roberto Reina offered to you during the election campaign, a post for which he, as president-elect, will confirm you?

[Villeda] I trust we will be able to cooperate with Dr. Reina because this is Honduras' most complex ministry. It deals with food security, economic development, and social justice through job creation. The ministry has a variety of aspects which range from renewable natural resources to nonrenewable resources.

Because this is a very large ministry, excellent cooperators are a necessity. The idea here is not to have an impromptu minister but someone who, as an executive, can combine talent with experience and make good on the pledges that Reina made during the campaign.

We will accept this challenge, aware of the fact that it is risky for a politician; nevertheless, we politicians should not shirk from the duty to demonstrate in public that we are capable of solving problems. We will meet with Dr. Reina in a few days to keep working on the details of the program for the first 100 days of his government and prepare an outline for the ministry.

It has been said that agricultural modernization must be accompanied by social justice, new technology, new crop development, special treatment given to irrigation projects, and funds for these projects so that peasants and farmers in general can do their work through loans, without the interest which would wipe out their profits but with technical assistance and a new education model so that they can know what they are doing in the field. As you can see, this is a huge program, but we gladly accept the challenge.

[Reporter] Food security has been talked about in the past few years. Will you and your team prepare a bill to guarantee food security in the country?

[Villeda] Yes, and this project is not isolated because food security deals with health, education, and the economy. Consequently, this plan involves several ministries with a fundamentally economic purpose. This pledge is so great that it is very difficult to execute in four years; anyway, we will have to push priorities to keep our word and so that this people can develop their intelligence potential. We know that food security deals with development of the body and mind. We believe this is one of the priority requirements for a government with a human face, as Dr. Reina said.

[Reporter] Will you continue to privatize silos, or will you push a different policy regarding the Honduran peasant sector?

[Villeda] The government must always own some silos, but it should not assume all of the responsibility. As Minister Chahin said clearly, in our country economic reserves are more important than stock reserves for hard times. The country must be basically productive, but the land must be managed in such a way that the aggregated value can compensate for deficiencies. For instance, if in a manzana we plant corn instead of another nontraditional more profitable crop, we will have to prefer this other crop and plant corn elsewhere; in addition, we must be prepared for an emergency and import such a product, obeying all sanitary regulations. Food security will be executed in schools also. This is not a new measure, however. Since the 1940's, the Liberal Party has been speaking of the drop in milk production and children's diners. Working mothers will have a better chance with day care centers. This is something complex, but we will start with a (?consistent) government policy.

[Reporter] One of the problems the National Party encountered during the election campaign was the lack of food in the country and lack of food for export. You speak of ensuring that the country will not be left without food. We must also understand that the peasants must be supported in beginning production. Do you have a quick plan that could be implemented during the first 100 days of the new government, or is your plan to be executed on a long-term basis?

[Villeda] No. Every well-grounded agricultural policy is a long-term one, but there must also be short-term projects, because they are emergency projects. I believe in the need to strengthen the silos system. Man must be like ants and bees, however, and store and have his own reserves but not through a paternalist state, rather by creating the conditions for the private sector to produce and store; consequently, this program is part of the first 100 days of the new government and will be announced in due time. Irrigation, for instance, is a short-term

project, but we will have to combine it with those that guarantee food security. We cannot speak of either ranchers or farmers but of producers. The government should stimulate any producing sector; in addition, peasants and farmers can hire technicians on their own. The current government's policy of having annual operational plans that are never fulfilled must be changed.

[Reporter] What will be your relations with farmers, ranchers, cooperatives, and other sectors?

[Villeda] Full dialogue. Decisions must be made by consensus. A couple of days ago, Dr. Reina met with Honduras' organized peasants to present his government's ideas in this area. Some time ago we went to La Ceiba to explain the milk-producing policy. Later, we visited Juticalpa, where we met with the National Federation of Honduran Farmers and Cattlemen. Dialogue will be the cornerstone of these tripartite decisions, which will require the various groups' well-organized cooperation.

[Reporter] Do you reiterate your acceptance of Dr. Reina's offer? What do you think of the election results?

[Villeda] The results are clear. Reina has triumphed, not only in one or two departments but in the entire country. I think this makes the commitment even bigger, because it is the entire nation that has trusted Dr. Reina.

I would like to take the opportunity to say that some deputies who were believed not to stand a chance were included in the list last night. Greetings to Juancito in Yoros, Justo Jimenez in Comayagua, Dennis Escudero in Cortes, and the other victors. I am very satisfied over the calls I heard over the answering machine. I will keep calling other people today, tomorrow, and in the coming days, because my true commitment with the people is just beginning.

[Reporter] When you say deputies-elect you mean individuals who were members of your party and were included because they are representatives of [words indistinct].

[Villeda] I mean individuals who were not expected to be elected but who appear as elected in the most recent tallying. These are more meritorious, because they ran anyway even knowing their chances were slim.

Bueso Comments on Offer of Cabinet Position

PA2911163993 Tegucigalpa Voz de Honduras Network in Spanish 1320 GMT 29 Nov 93

[Telephone interview with Jorge Bueso Arias, Liberal Party of Honduras, PLH, leader, by unidentified reporter—live]

[Text] [Reporter] We are now in contact with Dr. Jorge Bueso Arias. He and Dr. Ramon Villeda Bermudez are the only two people to whom president elect Carlos Roberto Reina has confirmed his offer of a cabinet post. What will be your position on President-elect Reina's statement, Dr. Bueso Arias? You may speak. Good morning.

[Bueso] Good morning. First, I would like to express my gratitude for Dr. Reina's public offer to appoint me minister of finance and public credit.

I must travel to Tegucigalpa this week or the next, so naturally I will meet with Beto, as I affectionately call him, to discuss this issue. I have yet to decide what I will do because I must consider personal and health issues. I even had [word indistinct] early in 1992. I will talk with him about the situation.

I also want to thank him. I know he has made the offer because he is aware of my current and past actions and because he feels that I would do a good job, as I think I would, in participating in the struggle to carry out the Liberal Party of Honduras [PLH] plans. We have spoken with him, other PLH comrades, and even other Hondurans about the cancer of corruption and the damage it does to our society. It is also one of the main reasons behind the backwardness that prevails in our country, not only in our country but throughout Latin America and other countries in the underdeveloped world.

He knows me and I truly thank him for his offer. I will have to talk with him. I know that, as he said in a televised interview about three days ago, he was not sure I would accept the offer. I am sure he has other candidates in case I cannot accept. Nevertheless, I would certainly want to be close to him, mainly when he has to make important decisions.

I would like to state publicly that regardless of whether I accept the offer, I would like to be close to him at a time when he needs the experience or advice I may give him as a friend and as a Honduran who always wants the best for the people so they may enjoy freedom and democracy.

Above all, we want to fulfill the pledge that all Liberals have; that is, the struggle for every Honduran's human rights, not only the rights of Liberals. Second, we have a pledge to strive and improve the situation of the lower classes, meaning the poor class, which has withstood and suffered so much. That is a pledge shared by all Liberals.

We must also fight the corruption that, I repeat, undermines our society's morals. That is one issue that has a stronger bearing on the country's backwardness because a few get richer while the rest get poorer. I have said I am not against the rich. On the contrary, I wish we were all rich provided that we help others overcome their situation and improve their living conditions in the measure that we become richer and provided we do it as honestly as possible.

I repeat: I know Dr. Reina's choice of cabinet members was a secret. Sometimes we spoke with some of the members, but I will make my final decision once I talk with Dr. Reina.

[Reporter] Very well, doctor. That means the decision is up to you and the limitations would be based on your health, family, and the your economic activities in your enterprises and in the Santa Rosa de Copan sector.

[Bueso] Exactly. Beto simply made an offer and naturally it all depends on my decision and a series of factors I must keep in mind. I know what the post entails, and I know what pledges I have assumed, what kind of efforts must be exerted, and what kind of struggle must be waged. I would gladly do it, but I must bear in mind all those factors.

[Reporter] Dr. Bueso Arias, can you suggest a replacement for yourself in the Finance Ministry, or would you rather have the president-elect make that decision? Would you accept an advisory position close to the president?

[Bueso] Of course the decision is up to the president. In other words, he should decide on his team members. He must be completely free to do it as he sees fit. As to your other question, I would obviously like to be close to him whenever he sees fit.

[Reporter] Given all the political experience you have acquired throughout the years and the experience you have as a political candidate, how do you explain your party's victory? What was your reaction to the electoral results that have been achieved?

[Bueso] First of all, I was very happy. That is natural. I was quite happy, both because it favored our party, our candidate, and our candidates, whom....[pauses] Allow me to congratulate all our party's candidates and the candidates of other parties who were elected. I congratulate them all. Second, another event like this, I believe there have been four or five consecutively, strengthens our country.

This seemingly has nothing to do with economic issues, but it really does. First, there are Hondurans who have doubted our nation and themselves. We are trying to peacefully solve our problems and choose our leaders. Therefore, we see Honduras continuing to improve and make progress. I never talk about changes because changes can be for the better or the worse. I always talk about progress, achievements in every sector. Honduras continues to make progress, and that makes us proud.

Second, I am very happy that Dr. Reina has won and that the plan for a moral revolution has won, because that is what we need the most. The Honduran people need this. We have discussed the issue with Dr. Reina and other Hondurans. We must give freedom to the Honduran people, which is only possible by overcoming the hate that prevailed between the two traditional parties 40 or 50 years ago.

Honduras' young people should realize that elections are a right that can be exercised in democracy and freedom; that there are no more threats of coups d'etat, the status quo, and all those things that are supported by provincial minds which tend to curtail the Honduran people's rights.

[Reporter] Dr. Bueso Arias, we want to take this opportunity to ask you this: Decisions must be adopted within the first 100 days of an administration. The Honduran people certainly have expectations about possible changes in their lifestyle, particularly in terms of economic issues. To conclude the interview, do you have any suggestions?

[Bueso] No. I know the first 100 days of an administration are basically used to lay the groundwork for what will be done in the next 45 months, in Honduras' case. I have no special suggestions. I know the first thing Dr. Reina will do is assure the people he will fulfill his pledges, particularly dealing with a moral revolution and his determination to win the struggle. We should continue forward, fully confident in his leadership.

[Reporter] Thank you, Dr. Bueso Arias, for answering our call.

[Bueso] You are welcome.

* Economic Figures for First Half Year Released

94CA0031A San Pedro Sula LA PRENSA (LA REVISTA Supplement) in Spanish 3 Oct 93 p 5-C

[Report by Zoila Bustillo]

[Text] Inflation doubled during the first six months of this year, yielding a cumulative rate of 6.6 percent, compared to the 3.0 percent recorded during the same period of 1992, according to the report on the Performance of the Honduran Economy by the Central Bank of Honduras (BCH). The report reveals declines in the growth rates of several sectors.

The study, which has just been released, indicates that, with the exception of the transportation sector, all segments of the economy experienced growth rates lower than those of 1992. The beverages and tobacco sector had the sharpest reduction, 10.4 percent; the personal care sector dipped 1.5 percent, and the clothing sector was down 7.3 percent.

In addition, the country's foreign economic transactions yielded a deficit in the balance of payments during the first six months of 1993. This deficit has caused a loss of $75.9 million in international monetary reserves, in contrast to the net gain of $47.8 million obtained during the same period last year. The above is due to a growth of 11.7 percent in imports, in comparison with a 6.2-percent increase in exports, plus the reduction of financial resources from abroad.

The general administration recorded savings of 270 million lempiras in the first half of 1993; the previous year, savings amounted to 175.7 million lempiras. This increase was a result of the surge in current revenues, which expanded by 12.7 percent, while current spending

rose by 7.7 percent. The BCH study indicates that the rise in the central government's revenues was spurred by a 15-percent boost in tax collections. Meanwhile, the money supply, fell 5.1 percent with respect to obligations and grew by 10.9 percent in quasi-monetary obligations.

Production Up 3.7 Percent

National production experienced a short-term growth of 3.7 percent, which is much smaller than the 7.8-percent jump seen in the first half of 1992. The main causes of this decline, according to the Central Bank, are changes in the construction sector, which had a 16.7-percent growth rate; in the mines and quarries sector, which was up 8.3 percent; in the electricity and water sector, with a growth rate of 8.6 percent; in transportation, storage, and communications, with a 6.4-percent growth rate; and in commerce, which rose at a rate of 6.3 percent.

Most economic sectors grew less than they did in 1992. The sector with the lowest increase, 1.2 percent, encompasses agriculture, forestry, hunting, and fishing; last year its growth rate was 3.5 percent. Production increased less because the banana industry reported a reduction of 7.4 percent below the figure for the first six months of 1992 due to problems with the black sigatoka pest and strikes, according to the study.

The mines and quarries sector reported a drop in its growth rate, which was only 8.3 percent, after a 42-percent surge in 1992. The main factors in the decline were silver, lead, and zinc. Housing has seen some erosion because of the decrease in the growth rate of public construction, especially highway projects, which expanded at a rate of 150.2 percent during the first half of 1992 and just 15.5 percent during the same period in 1993.

Other sectors showed similar results; the manufacturing industry, for example, grew by just 1.3 percent, compared to 8.3 percent in 1992. Milk production, which rose by 21.5 percent in the first half of 1992, expanded by just 13 percent this year; the soft drink and beer industry saw a drop of 1.7 percent due to the constant increase in prices; and fabric manufacturing experienced a drastic decline of 23.1 percent.

The water sector reported an increase of 8.6 percent, higher than the 4.8 percent recorded for the first six months of 1992. Similarly, the transportation, storage, and communications sector saw its growth rate climb from 4.1 to 6.4 percent during this period.

Banking and insurance, on the other hand, reported a sharp decline, as the growth rate plummeted from 23.3 percent in the first half of 1992 to 0.5 percent this year.

Prices Still Rising

The Consumer Price Index (IPC) is still moving upward, according to BCH figures. The acceleration began in March, with a 0.8-percent growth rate, followed by 1.9 percent in April, 0.8 percent in May, and 1.6 percent in June. In 1992, these figures were 0.2 percent, 1.0 percent, 0.4 percent, and 0.1 percent, respectively.

The southern zone of the country is still the hardest hit, with prices rising by 9.9 percent. The worst categories are education, reading, and entertainment; health care and housing; and household management.

The only part of the country where the IPC has gone down is the Central Zone, which reported 7.5 percent, compared to eight percent in 1992. The Wholesale Price Index (IPM) registered an increase of 13.3 percent during the first six months of 1993, compared to 10.8 percent for the same period last year. The largest price increases in this category are in domestic goods, especially farm and industrial products, with 18.6 percent. Imported goods rose by only 3.4 percent.

State Saves 270 Million Lempiras

The general administration reported savings of 270 million lempiras in the first six months of 1993, which is 94 million more than the figure for the same period last year, when savings amounted to 175.7 million lempiras. The savings were made possible by a rise of 205.4 million lempiras in current revenues and by restrictions on current spending.

Current revenues grew by 12.7 percent with respect to the first half of 1992, mainly because of higher income tax collections, the increase in consumption, and the rise in import duties.

Outlays by the general administration doubled in the first six months of this year, with 2.952 billion lempiras in spending, compared to 1.552 billion lempiras spent during the same period in 1992. Current spending grew by 7.7 percent, absorbing 560.4 million lempiras of the total outlays by the general administration, which is less than the 36.3 percent reported in 1992.

Imports and Exports

During the first half of this year, the country took in $452.6 million, 4.1 percent more than in 1992, when earnings amounted to $434.6 million. Banana exports accounted for $154.2 million; coffee, $89.2 million; timber, $7.1 million; refrigerated meat, $15.5 million; minerals, $13.6 million; shrimp and lobster, $9.2 million; and other products, $122.1 million.

Imported goods grew by 14.4 percent, for a total of $582.1 million. This was due to the demand for raw materials, the elimination of controls, the reduction of tariffs, and Central American free trade.

Net capital income fell by $34 million in the first half of 1993 to a total of $99.4 million, compared to $133.4 million for the same period last year.

* Finance Ministry Delivers Draft 1994 Budget

94CA0031B Tegucigalpa EL HERALDO in Spanish 14 Sep 93 p 40

[Text] The national budget for 1994 is approximately 200 million lempiras higher than the one approved for this year, and the Armed Forces will receive 30 million lempiras more in their budget.

Yesterday Finance Ministry authorities delivered the draft budget for fiscal 1994 to the National Congress. The budget totals 6.05 billion lempiras, one percent more than the budget approved for this year. Finance Minister Rene Ardon Matute reported that the budget for the Education Ministry will be increased by about 150 million lempiras, and the budgets for other state secretariats will be expanded as well. Other ministries, however, will see their budgets shrink.

The Secretariat of Communications, Public Works, and Transport (Secopt), for example, will lose about 50 million lempiras because some projects are slated for completion by the end of this year. Because of the agreement signed by the government and the Armed Forces to raise police salaries, the budget for the Defense Ministry will rise by 30 million lempiras.

The draft budget also calls for a 100-million-lempira subsidy for urban transportation. Some sectors of Honduran society are opposed to this subsidy, but Ardon Matute stated that it is intended to avoid an increase in fares. The official indicated that the National Congress has the power to approve the budget by the end of the year or leave it for approval by the incoming administration.

With regard to the pay raise demanded by physicians, the finance minister stated that the matter is being discussed in the Health Ministry. "A strictly official analysis of the demand must be made, and that could be done in the next few days," stated Ardon Matute.

* Traditional, Nontraditional Exports Up Sharply

94CA0031C San Pedro Sula LA PRENSA (NEGOCIOS Supplement) in Spanish 18 Oct 93 p 1

[Report by Mauro Virgilio Orellana]

[Excerpts] Tegucigalpa—Honduran exports of so-called nontraditional goods have played a significant role in the country's favorable export picture, which contrasts with the nearly 12-percent reduction reported in 1992, according to data from the Central Bank of Honduras (BCH).

Exports of goods, excluding adjustments for reexport and smuggling, totaled $452.6 million during the first half of this year, which is just over four percent higher than the total reported for the same period of 1992, $434.6 million.

According to the government, the key factor in the growth of exports was nontraditional goods, which accounted for nearly 20 percent, while traditional exports remained relatively stable, falling by 0.7 percent as a consequence of the crisis on the international banana and coffee markets.

The executive president of the Honduran Foundation for Export Investment and Development (FIDE), Norman Garcia, revealed that traditional exports are no longer the main source of foreign exchange for the country, as nontraditional goods have assumed the lead. [passage omitted]

With regard to traditional exports, the BCH report on the performance of the Honduran economy during the first six months of this year indicates that the value of foreign banana sales rose by 3.8 percent, which compares favorably with the decline of more than 33 percent that took place during the same period last year.

The increase was the result of better prices on the European market, which offset the 7.4-percent drop in the volume of exports. Nevertheless, the improvement in prices only made up for 7.8 percent of the decline of nearly 37 percent that took place during the same period of 1992.

Coffee income, on the other hand, was reported to be about $89.2 million from exports, $6.4 million (6.7 percent) less than what was received during the same period last year. The BCH explains that this decrease was due to the crisis in prices on the international market, which exporters and producers have had to contend with since 1989, when quotas were eliminated.

Another traditional export product, timber, rose by more than $7 million, but this is 18.4 percent below the increase recorded in the first six months of 1992. The reason is that the volume of exports fell by 3.893 million board feet because of the exhaustion of forestry resources and the new forestry management system established under the Agriculture Sector Modernization and Development Law (LMDSA).

Refrigerated meat rose by $15 million, an 8.4-percent increase over the figure for the same period of 1992. This positive result was made possible by a larger volume of exports and better prices.

Another traditional product, minerals, declined in value by 42.6 percent as decreases in production drove down the volume of exports, and prices fell as well. Meanwhile, during the first six months of 1993, no sugar sales were recorded, because although this period is part of the sugar season, there was a delay in the harvest, so exports of this product will not be recorded until the second half of this year.

Shrimp and lobster exports showed a slight increase in value, rising by $9.2 million, or 23.4 percent. This was an improvement over the $1.1 million (2.7 percent) decrease recorded during the same period of 1992. The

situation improved because of the upward trend in prices, shrimp by 4.7 percent and lobster by nearly 6 percent. The two products together accounted for 3.9 million kilos of exports, 17.6 percent higher than the 3.3-million-kilo volume exported during the same period of 1992.

Meanwhile, other products classified as nontraditional rose by nearly 20 percent during the first six months of this year, which resulted in the country's overall improved sales figures. Among the products with the greatest influence on this trend are manufactured goods such as textiles, wood manufactures, processed tobacco, gums and lacquers, and laundry soap; and agricultural products such as melons, pineapples, cacao beans, citrus fruits, vegetables, plants, etc.

Watermelon and other melons are an example of dynamic nontraditional exports, with an increase in volume from 49.2 million metric tons in 1991 to 62 million metric tons in 1992. Bananas, ornamental products, cacao, sesame, lemons, coconuts, and mangos exports increased from 9.5 million metric tons in 1991 to 20.6 million metric tons in 1992.

The above data shows how dynamic the nontraditional export sector is. It has displaced the traditional export sector not only in volume, but also in the generation of employment. Now these products can be expected to continue gaining ground to the point where they help offset Honduras' balance of trade deficit.

* September Inflation Rate Drops 0.6 Percent

94CA0031D San Pedro Sula TIEMPO (MARTES FINANCIERO Supplement) in Spanish 5 Oct 93 p 12

[Text] The inflation rate in September 1993, measured in terms of the Consumer Price Index (IPC), fell by 0.6 percent, smaller than the 1.1-percent drop recorded in August, according to the Central Bank of Honduras (BCH). Official BCH data indicates that the fall in the IPC was caused by the decline in food prices, which amounted to 2.8 percent. The decrease in food prices was due to the fact that there is a larger selection of farm products on the market in September, since that is harvest time.

The largest price increases in September were in the categories of personal care (3.5 percent), housing and household maintenance (1.3 percent), beverages and tobacco (0.9 percent), health care (0.6 percent), and clothing (0.4 percent), which, all together, contributed 0.5 percent to the IPC.

According to BCH statistics, among the goods and services whose prices fell substantially are beans (-14.7 percent), tomatoes (-45.6 percent), oranges (-15 percent), and potatoes (-19.2 percent).

Marginal inflation (September 1992 - September 1993) grew by 13.3 percent, a larger variation than that recorded in 1992, 6 percent. The average inflation between January and September 1993 increased by 9.9 percent, which is a 1-percent increase over the 9.8 percent recorded during the previous period. Cumulative inflation, that is, the inflation recorded between December 1992 and September 1993, rose by 10.5 percent, higher than the 3.9 percent recorded during the same period last year. The average variation for the last 12 months (October 1992 - September 1993), in contrast, fell slightly, from 13.3 percent in 1992 to 8.9 percent in 1993, according to Central Bank figures.

In addition, the national average of prices for the principal food products shows that beans are still high, having risen by 118 percent between January and September 1993. Substantial increases have also been seen in the prices of corn, whole powdered milk, and red onions, with rises of 23.5 percent, 26.8 percent, and 50.8 percent, respectively.

The Central Bank data shows that among the five regions covered by the Consumer Price Index, the southern zone still has the highest cost of living, with 12.4 percent, while the eastern and western zones recorded growth rates of 11.2 and 11 percent, respectively.

The central region saw prices rise by 8.9 percent, while the northern region reported a 10.5-percent increase, reflecting lower inflation in these two areas of the country.

In general, the Central Bank's figures show rising inflation, a pattern that has a tendency to last a long time. This is partly because there is no sign of any substantial increases in supplies that would lead to substantial reductions in prices of the principal goods that make up the IPC basket.

Nicaragua

Lacayo: Plan To Save Coffee Harvest From Guerrillas

PA2911222093 Managua BARRICADA in Spanish 24 Nov 93 p 4

[Report by David Gutierrez Lopez]

[Text] Yesterday, Presidency Minister Antonio Lacayo announced Army and police units will step up a plan against criminal bands operating in the northern part of the country to guarantee the harvest of 1 million quintals of coffee, the export of which will generate $70 million.

The presidency minister said the government will offer coffee growers 200 million cordobas, from a Central American Bank for Economic Integration loan, to implement a coffee renewal plan on 36,000 manzanas, with the hope of increasing production from 1 million to 2 million quintals of coffee in the next five years. The minister did not explain where the government would obtain the resources to guarantee the operation against criminal bands, which, he said, would be "stopped cold."

During a ceremony to commemorate the creation of the Special Disarmament Brigade [BED], in which 1,200 weapons were destroyed, Lacayo announced a reduction of 310 soldiers and officers belonging to the corps, from a total of 620 members. Those men will return to civilian life and continue to receive salaries for up to 12 months. "It is a new phase," he said, and announced a new security plan for producers, who have been subject to kidnappings and guerrilla activities in recent months.

Deputy MCT [Minister of Construction and Transportation] Eduardo Zuniga announced 1,000 km of roads in the coffee regions of Nueva Segovia, Matagalpa, and Jinotega will be repaired at a cost of 10 million cordobas, of which 2.6 million cordobas will be contributed by Denmark through the DANIDA [expansion unknown] agency.

Northern producers interviewed by BARRICADA expressed doubts about the plan against criminals. Roberto Laguna, leader of the National Union of Farmers and Cattlemen [UNAG] in Esteli, said it will be difficult to guarantee their safety if there is no organization and coordination among the police, Sandinist People's Army, and producers. Moreover, Donaldo Picado Molina, secretary of the Esteli Coffee Growers Association, said the operation can be successful provided the police act "honestly;" and he asserted producers would provide the troops with fuel for their mobilization in the production zones.

Roundup of Economic Developments Through 29 Nov

PA2911230193

[Editorial Report] The following is a compilation of reports on Nicaraguan economic developments monitored through 29 November. Source is cited in parentheses following each item.

Presidency Minister Antonio Lacayo said on 23 November that Nicaraguan coffee exports will bring in $70 million in 1994 despite production setbacks. He predicted that production will rise from 1 million quintals in 1993 to 2 million quintals in the next five years through a coffee production improvement program to be financed with foreign loans. Coffee will represent 29 percent of the country's total exports, estimated at about $250 million this year. (Mexico City NOTIMEX in Spanish 1846 GMT 23 Nov 93)

Evenor Taboada, president of the Central Bank of Nicaragua, reports that the first disbursements of a total of $220 million that Nicaragua expects to receive if the country passes the World Bank and IMF "tests" will begin to arrive in April next year. Since last week, 20 experts have been in the country revising, with the government, Nicaragua's economic achievements under the Organizational Adjustment Plan. Taboada said that $80 million would be received from the IMF and $140 million from the World Bank once the results of the policies implemented in 1993 are checked. (Managua LA PRENSA in Spanish 23 Nov 93 pp 1, 14)

The Swiss Government has donated $4.5 million to the Nicaraguan Agricultural and Livestock Institute for the development of programs dealing with integrated pest management and seed production by small- and medium-scale producers. (Managua EL NUEVO DIARIO in Spanish 25 Nov 93 p 6)

Six months into the current crop season, a severe drop in basic grain production has been reported. This drop has been caused mainly by the lack of financing, pests, and adverse weather. Conversely, most of the export crops show good progress. (Managua EL SEMANARIO in Spanish 26 Nov 93 p 3)

Correction to Chamorro Urges Population To Contribute

PA2911204793

The following correction pertains to the item headlined "Chamorro Urges People to Contribute to Social Agenda," published in the 29 November Latin America DAILY REPORT, page 53: Page 54, column one, third paragraph, third sentence make read: ...Social Agenda 1993-96 document, which was prepared.... (correcting word) Column one, seventh paragraph, first sentence make read: ...Belli insisted that if the ESAF [Economic Structural Adjustment Facility] is signed, schools throughout the.... (clearing name, adding dropped words)

Panama

Police Source: Colombian Rebels Own Coca Plantations

PA2911133893 Panama City EL PANAMA AMERICA in Spanish 28 Nov 93 p 1A

[Article by Arnulfo Barroso Watson]

[Text] A police source has told EL PANAMA AMERICA that the coca plantations in Tacarcuna region in Darien Province belong to the Revolutionary Armed Forces of Colombia (FARC) and not to the Colombian drug cartels; thus, it will be more difficult for the Panamanian police to destroy these plantations.

The source, who asked to remain anonymous, said that the FARC used to protect the cartels' coca plantations in Colombian and Panamanian territories in exchange for a fee, but it realized that it is more economically productive to grow the coca itself.

It was reported recently that Panamanian and Colombian police had located about 200 hectares of coca in Tacarcuna, which is 20 minutes by land from Colombia. It was also announced that an operation to destroy the plants will be set up in the coming days. The informant

said that the plant-destroying operation must be executed by a few well-trained agents because moving many people to this forest region poses a logistics problem to the public force. In addition, he added that a considerable number of policemen do not have the physical conditioning needed for this type of mission; this is why he suggested that this mission last no more than five days. He underscored that FARC members are constantly clashing with the Colombian Army and that they have better weapons than Panamanian policemen.

Public force agents executed an operation in Tacarcuna on 25 November to apprehend the owners of the discovered plantations, but when the agents raided the place, they found no one; instead, they found cocaine paste and hot food in the kitchen, the source added. He said that the drug traffickers may have learned of the operation when they heard the sound of helicopters, or someone may have alerted them.

The Panamanian policemen will destroy the plantations with the technical support of their counterparts from the Colombian Narcotics Division. Teodoro Campo, chief of the division, visited Panama a few days ago and talked to his Panamanian colleagues about the antidrug trafficking fight at the Colombian-Panamanian border. In an earlier operation, called Free Border, 90 hectares of coca and a processing laboratory were destroyed.

PRD Candidate Perez Balladares on Canal Transfer

PA2911214493 Panama City LA ESTRELLA DE PANAMA in Spanish 28 Nov 93 p 1

[Report by Ruben Dario Diaz]

[Text] "No country in the world faces such a strict schedule of tasks to be completed, obligations to be kept, and expectations to be met than that presented to Panama with the implementation of the Torrijos-Carter Treaties and the return of the former Canal Zone, including the military bases," Ernesto Perez Balladares, the Democratic Revolutionary Party (PRD) presidential candidate, stated at the PRD Professionals and Youth Front meeting yesterday.

Perez Balladares also promised that if he is elected president he will not initiate actions of political persecution or revenge but will promote a true reconciliation in the country. In this respect, he said the Torrijos-Carter Treaties have to be kept so that the Panamanians can be sovereign on their territory. The PRD candidate asserted that when the Panama Canal reverts to its legitimate owners, responsibility for its efficiency and protection will be an internal policy issue to be decided by Panamanians, rather than part of the bilateral agenda with the United States.

The political leader cautioned that he does not fear differences of opinions, but did express concern for the partisanship evidenced by the "government and the Christian Democratic Party [PDC]" in approving the bill that created the Interoceanic Region Authority (ARI) as well as during the appointment of this agency's directors. Likewise, he believes that the political parties could coincide in their position with respect to interpreting the Torrijos-Carter Treaties, especially as they refer to the Neutrality Treaty, for which it is necessary for everyone to divorce themselves from partisan fervor.

"When we speak of the benefits from the Torrijos-Carter Treaty, the current government never mentions Torrijos, and only refers to him to say that it was he who negotiated a pact allowing the United States to intervene in Panama. Nothing is further from the truth." On the other hand, he committed himself to unite all the political forces to the foreign relations consultative bodies, especially those agencies involved in Panamanian relations with the United States because there is no better formula to face the responsibilities that "await us in the transition to the 21st century."

In concluding, he pointed out that the diversity of opinions on issues such as the economy, foreign debt, insecurity, unemployment, environment, and agriculture will prompt voters to choose between one or the other candidate and support them with their votes. Whoever wins the elections, however, will be compelled to honor all promises made during the campaign and implement the program that had been announced; a program which not everyone will be open to.

Papa Egoro Nominates Ruben Blades for President

PA3011005393 Panama City LA ESTRELLA DE PANAMA in Spanish 29 Nov 93, p 1

[Report by Carmen Elida Contreras]

[Text] Amid mistreatment for the national and international media, the Papa Egoro [Mother Earth in an indigenous dialect] Movement nominated singer/composer Ruben Blades as presidential candidate for the May 1994 elections.

After five hours, the Papa Egoro leaders allowed the media into the convention to announce the official nomination of Blades and the approval of the resolution that grants that party's National Executive Directory the

authority to establish alliances, which will not be made with "traditional parties."

Aggressive attitudes, rudeness, shoves, and snubs for the media representatives, mainly from the party's spokesman Ricardo Ledezma, were, however, the outstanding note of the congress, during which Blades also attacked LA ESTRELLA DE PANAMA.

Over the weekend [27 November], this newspaper—exclusively—published a letter in which the singer and artist threatened to resign from the movement and renounce part of the government program that proposes a plebiscite to allow the U.S. military bases to remain in the country.

Several of the reporters left before the novel politician's news conference and many of them, as a form of protest, refused to broadcast it. The news conference was scheduled to be aired by a national network.

Blades, 42, accepted the candidacy and warned that "there is no more space for abuse, betrayals, defeatism, complexes, mediocrity, corruption, revenge, arrogance, suspicions, unfulfilled promises, egoism, doubts, gossip, and distance between brothers." Even though he did not respond to the public expectations with regard to a government program, he said the party has a draft that covers topics such as the foreign debt, the high cost of public services, and malnutrition.

Argentina

Majority Support UCR-PJ Agreement

PY2911161893 Buenos Aires PAGINA/12 in Spanish 17 Nov 93 p 4

[Article by "R.K."—all figures as published]

[Text] Of every 10 Argentines, seven have approve of the pact signed on Sunday between [President] Carlos Menem and [former President] Raul Alfonsin, while criticizing the fact that they denied their first meeting. Spontaneously asked who benefited more from the agreement, the majority said that Menem gained more.

These conclusions stem from a survey—the first since Sunday's agreement—by the Tele-Survey company, a consulting company headed by the well-known sociologist Heriberto Muraro. Some 400 people were questioned in the federal capital and in greater Buenos Aires.

The survey shows that most people agree with the pact between Menem and Alfonsin, and even approve of most of the document's content: 57 percent of those surveyed consider it beneficial for the country; 12 percent consider it harmful; and the remaining 27 percent are undecided.

Muraro's survey also sounded out the opinion of citizens on the concealment of the first meeting between the president and the new leader of the UCR [Radical Civic Union]. More than half of those consulted said that both politicians were wrong to have repeatedly denied the meeting, while 39 percent consider their attitude correct. This is the most controversial issue of all the agreement process between the PJ [Justicialist Party] and the UCR.

Concerning the different points of the agreement, there is strong support for the direct election of senators (91 percent) and for restrictions on the presidential use of decrees, which are considered needed or urgent (89 percent), while there is less support for the reelection clause (67 percent) and for the creation of the post of minister coordinator (50 percent).

This survey agrees with other consulting companies, which also surveyed some of the points, that so far are not part of the agreement: the inclusion—with a constitutional rank—of the defense of the environment and the call for plebiscites on certain issues are two changes in the Constitution, which also received the strong support of the people.

Lastly, Muraro asked those surveyed who most benefited from the agreement. Spontaneously the answers were as follows: 39 percent said both (Menem and Alfonsin) gained equally, while 25 percent felt that only Menem gained from it. It is important to note that none of those surveyed considered Alfonsin as the sole winner. To conclude, 23 percent said: "The people gained from it."

Government, Opposition Set Deadline for Final Agreement

PY2911174993 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1125 GMT 29 Nov 93

[Excerpt] Buenos Aires, 29 Nov (NA)—The government and the Radical Civic Union [UCR] have agreed to "conclude all agreements" on the constitutional reform by the evening of 1 December. Before this deadline the UCR is also expected to obtain clear signals that will allow it to progress in its negotiations with the PJ [Justicialist Party].

During a closed-door meeting yesterday, Senate Leader Eduardo Menem and UCR National Committee chief Raul Alfonsin overcame some of the disagreements on the reform project. The main topic for debate, however, depends on what happens at the Supreme Court.

Among the PJ leaders attending the meeting were Presidency Secretary General Eduardo Bauza; Carlos Corach, the legal and technical secretary of the presidency; Alfonsin's spokesman Simon Lazara; and UCR Deputy Antonio Berhongaray.

During the meeting the negotiators reached a final agreement on the powers of the coordination minister, a post that will be created under the new Constitution, and on the powers of the Council of Magistrates.

There are still differences over runoff elections for president; not just concerning the percentage of votes required to prevent a runoff, but also concerning its implementation.

Government leaders reiterated that there will be "news" about the Supreme Court "before Wednesday." It is understood that the government believes Alfonsin will have "a trump card" in his hand at the UCR National Convention meeting on Friday.

PJ negotiators promised to obtain the dismissal of Supreme Court Chief Justice Antonio Boggiano, who last week received the unexpected support of Economy Minister Domingo Cavallo and of some church leaders.

Despite government pressure, Boggiano may be impeached by the Chamber of Deputies following the disappearance of a folder with a sentence against the Central Bank. Internal movements within the Supreme Court may also expedite Boggiano's removal.

There are doubts about the removal of other justices: political sources have leaked that Ricardo Levene (Jr.) will resign "at the end of the regular court term" in January, and that Justices Julio Nazareno or Rodolfo Barra may also depart.

The pressure exerted by leaders of both parties to obtain the resignation of at least three justices will today reach a peak, just five days before the UCR National Convention at which UCR support for the pact signed by President Carlos Menem and Alfonsin will be debated.

While PJ and UCR representatives are scheduled to continue meeting, the government deputies who make up the Impeachment Commission are likely to request the impeachment of Boggiano on Wednesday.

Boggiano is the justice that the UCR wants most badly to oust. The UCR wants his dismissal to give Alfonsin a "trump card" that he can play before the UCR Convention delegates next Friday.

Some government and opposition sectors, however, are working on removing the justices without resorting to impeachment, but this seems unlikely because the of proximity of the UCR convention which does not allow enough time for it. [passage omitted]

Energy Secretary Bastos Interviewed

PY2911204593 Buenos Aires LA PRENSA in Spanish 28 Nov 93 Section 2 pp 1, 12

[Interview with Energy Secretary Carlos Bastos by Virginia Perez Araoz and Mariano Botas; place and date not given]

[Text] In initial remarks to LA PRENSA, Energy Secretary Carlos Bastos says: "I cannot understand some government officials who have adopted the habit of calling journalists, making strong remarks, challenging other government officials, and having journalists play the role of a judge." Nevertheless, since he clearly and explicitly is not in the mood to challenge the National Commission for Atomic Energy [CNEA], the energy secretary directly addresses the issue that actually worries him.

Bastos says: "Here on my table I have a preliminary report by a consulting company, a survey that is not directly linked to CNEA because it just describes the state's function with regard to the nuclear power industry in those countries where the production of nuclear power is in private hands. There is also a report on the situation in the United Kingdom, a country that was unable to achieve nuclear privatization and whose experience we also are interested in learning."

[LA PRENSA] But this is not all the "Group of Entrepreneurs" was asked to do....

[Bastos] This is a preliminary report. Afterward, there will be a summary on all the practical cases reviewed. With this material, the presidency of the nation (including presidential secretary Eduardo Bauza; President Menem; CNEA Chairman Manuel Mondino; and, probably, [Economy] Minister Domingo Cavallo, who will convey the Energy Secretariat's opinion) will decide if it would or would not be viable to open up the nuclear area for the participation of private capital.

If it is indeed viable, a second step will be taken in which the consulting company would actually present some concrete privatization alternatives.

[LA PRENSA] Why was CNEA not consulted on the decision to call this consulting company?

[Bastos] Because we are not making decisions on CNEA. We are just trying to establish a basis, based on international experience, to determine which way to advance, if a decision is made on advancing.

The nuclear issue is a field almost exclusively staked out by CNEA people. Not even all the nuclear scientists participate in it.

Based on the survey requested, we just want to become acquainted with, to define what will happen with industrial security if the production of nuclear power is transferred to private hands; what will be done with the plants and nuclear waste when the nuclear power plants stop operating; and if the rates that will be approved for these companies will be regulated or will be established by market conditions. These are politico-economic issues that are independent from the way in which CNEA would be restructured.

[LA PRENSA] The energy secretary said: "No one has a definite opinion on how CNEA will be restructured because no one knows how the entire industry will be restructured. For example, if the nuclear power plants are privatized, who will supply the fuel? Will foreign companies be allowed to supply it or will the participation be restricted to national companies? Will they be exclusive suppliers or will they have other deals? These are open questions."

But if CNEA's future is raised again, it is because there is a definite opinion that things are not working the way they stand now.

[Bastos] I am not saying that CNEA is operating well or poorly now. I am actually saying that there are general guidelines on streamlining the state. We, Minister Domingo Cavallo and I, have adhered to these guidelines with plenty of evidence. The state must be removed from entrepreneurial activities. The control of general interests in entrepreneurial activities alone must be left in the state's hands.

[LA PRENSA] Is it a mistake, then, to claim that all nuclear activities must be in the state's hands?

[Bastos] I don't know. I am not a specialized expert in this area. I actually know that our secretariat is responsible for the energy policy, in general. And we cannot stop voicing an opinion on the organization of the nuclear field that is involved in energy production.

I do not want to get involved in an argument with Mondino or bring the CNEA under the Energy Secretariat's jurisdiction. I must insist, however, that we are entitled to voice an opinion on this issue.

This industry obviously will be restructured. And it is important for the political power to hold the reins and decide on the nuclear area's role and the way it will be restructured.

Maybe Mondino is unaware of the fact that the studies may recommend that it is not advantageous to privatize CNEA....

[LA PRENSA] Does the Energy Secretariat, then, believe that it is best to privatize CNEA?

[Bastos] This is not the way in which the report requested from the consulting company should be understood. Maybe it has been misinterpreted because, for the time being, we do not intend to define the privatization of the power plants. We actually are trying to determine the role in this area that the state plays in other countries, the state's responsibility.

At the moment, everything is in the hands of CNEA, a state organization that has superimposed activities and a single balance. The CNEA is a development and research center. And at the same time, it controls its own accounts and projects. It must be restructured.

[LA PRENSA] Nevertheless, Mondino's proposal to transform CNEA into a corporation is precisely aimed at that ... What is your opinion?

[Bastos] What I told Mondino is about a meeting that was also attended by Bauza. It is about a superficial change that does not propose basic issues such as how to integrate CNEA into the electric industry or security and the risks of a nuclear accident.

The idea of separating the accounting was good but to do that there is no need for a decree; it can be done through an internal procedure.

The project is up in the air. If he is asked what the state's role is, Mondino would say that CNEA is responsible for defining a policy for the industry. And this is not so. CNEA is not the state but an organization of the state.

[LA PRENSA] Is there international capital interested in the nuclear industry?

[Bastos] Practically all the international companies are interested in finishing the Atucha-2 nuclear plant. This is the business in which they are now interested. But some Spanish and Canadian companies have been asking about the eventual construction of a fourth nuclear plant.

[LA PRENSA] What is the timetable for drawing up a plan for restructuring CNEA?

[Bastos] The second report by the consulting firm will be ready before the end of this year; it is a synthesis of the experience abroad. With this information, we will begin to discuss the need to open up to private capital and in which areas to do it.

I believe that by the middle of next year a decision already will have been made on the meaning and ways of restructuring proposed for CNEA.

But this process, I insist, is not linked to an Energy Secretariat goal. It has to do with the state's reform.

Brazil

Debt Rescheduling Agreement Signed With Private Banks

PY2911162693 Rio de Janeiro Rede Globo Television in Portuguese 1700 GMT 29 Nov 93

[Text] Minister Fernando Henrique Cardoso this morning signed a debt rescheduling agreement with private creditor banks in Toronto, Canada. Brazil's debt with some 800 private banks totals $34 billion. This agreement paves the way for the resumption of foreign investments in Brazil.

Finance Minister on Agreement

PY3011010593 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 29 Nov 93

[Text] Finance Minister Fernando Henrique Cardoso signed an unheard-of foreign debt agreement in Canada. The minister told Paulo Henrique Amorim, Rede Globo's reporter in Toronto, how the new Brazilian currency will operate.

Main creditor banks representative William Rodes said this was not an important day just for Brazil and banks. It was also a landmark for the international financial community's foreign debt negotiations. Finance Minister Fernando Henrique Cardoso signed the document, which has more than 3,500 pages, that involves $35 billion of Brazilian foreign debt to private commercial banks. At the end of the ceremony Finance Minister Cardoso talked with Globo's national news program.

[Begin recording] [Amorim] Minister, about this issue of a daily index. Let us suppose that a television set is not paid in real cruzeiros but in UR [reference units]. The television set's price, in UR, varies slightly every day but after a certain time it has changed very little. Then our national currency starts being the UR instead of real cruzeiros. Is that it?

[Cardoso] In general terms, that is correct. But at the beginning we might have larger price variations because the UR will change every day. However, instead of establishing the past inflation rate the new system will establish a future inflation rate, from the present to the future. The system then will not be affected by the inflationary mechanism that affected the past.

[Amorim] Will that variation be like the variation of the cruzeiro with respect to the dollar?

[Cardoso] There is a possibility, but not automatically, not necessarily. The reason why we want to be careful with the dollar is that we do not want to place our economy in a tight corner. We do not want to do what other countries did when establishing a direct relation with the dollar by setting the exchange rate at one cruzeiro per one dollar. This will hinder our exports. We need a certain margin of variation. [end recording]

Petrochemical Company Auction Postponed 4th Time

PY2911195093 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 19 Nov 93 p B3

[Article by Edison Coelho]

[Text] The government on 18 November decided to postpone, for the fourth time, the Uniao Petrochemical Company's [Companhia Petroquimica Uniao—PQU] commanding-stake auction, scheduled for today at the Rio de Janeiro stock exchange. Andre Franco Montoro Filho, the National Privatization Program steering committee's chairman, endorsed the postponement by saying there was no time to resolve issues such as environmental liability and the price of gasoline, the raw material produced by PQU.

Concerning the environment, the companies were concerned about the investments that must be made to reduce the pollution generated by PQU. Montoro Filho noted that Cetesb [State Basic Sanitation Engineering Company]—the organization that governs environmental issues—sent him a letter as late as 17 November, saying that companies would have to follow investment timetables that would not "squeeze" the cash flow. This may be a flexible project. The gasoline issue was resolved between Petrobras [Brazilian Petroleum Corporation] and the National Department of Fuels, which set a gasoline price within international standards, which means that the gasoline price will be reduced from $154 to about $153.50 per metric ton.

Montoro said: "The gasoline price correction before the auction makes the latter clearer. There would different connotations if the corrections were made within three months." The decree should be signed next week. The gasoline price reduction had been advocated long ago by the Brazilian Association of the Chemical and Byproducts Industry (Abiquim).

Concerning these issues, Montoro Filho scheduled a meeting for 22 November. During this meeting, a new date for the PQU auction will be set. He suggests 26 November for the auction. Montoro Filho said the preliminary injunctions filed with the courts to block the auction did not have any impact on the postponement. He noted: "They [not further specified] are taking advantage of the judicial branch to file preliminary injunctions." The $560 million base price will not be changed. In PQU's current stock distribution structure, Petrobras owns 67 percent; Unipar [expansion unknown], which belongs to the Norberto Odebrecht Group, owns 28.9 percent; and minor stockholders such as Bradesco [Brazilian Discount Bank] and EDN [expansion unknown] own 4.1 percent.

Seventy-five percent of PQU shares will be auctioned. PQU employees will be entitled to purchase 10 percent of these shares. According to Montoro Filho, Unipar, which owns 28.9 percent of the shares and has a priority right, will probably not use its purchasing rights. Odebrecht already owns a majority of shares in the Camacari (BA [Bahia State]) and Triunfo (RS [Rio Grande do Sul State]) complexes. If it uses its right to purchase the PQU complex in Maua, Sao Paulo State, Odebrecht might monopolize the petrochemical field. Montoro Filho, however, noted that in order to balance the monopolization issue, the government might deregulate gasoline imports for those companies that use this product to manufacture plastic products.

During the 22 November meeting, Montoro Filho will discuss the privatization timetables for the Computadores Cobra, Embraer [Brazilian Aeronautics Company], and Lloyds companies that should be privatized as of January. Concerning these companies, he said that an agreement on some issues must be reached with international banks and debenture bondholders.

Paulo Cesar Farias Arrested in Thailand

PY2911192493 Rio de Janeiro Rede Globo Television in Portuguese 1700 GMT 29 Nov 93

[Text] Paulo Cesar Farias has been arrested by Thai police in one of the most luxurious hotels in Bangkok. He has been wanted by police since 30 June, when his preventive detention was decreed by Brazilian courts. The Brazilian Government already is negotiating with its Thai counterpart on how to bring him back to Brazil. Here we have a live report by Alexandre Costa in Brasilia, who has more information about Paulo Cesar Farias' arrest.

[Begin recording] Having managed to flee England, Paulo Cesar Farias was travelling to Thailand, which like the United Kingdom, has no extradition treaty with Brazil. He was aboard a jumbo jet packed with Asians but since he has become a well-known figure all over the world, he was recognized by a passenger, who then alerted the Brazilian Embassy in Bangkok. The Brazilian ambassador and the first secretary then started to look for Farias, whom they found at the Sheraton Hotel. He had registered under his real name and submitted his own passport.

The news was no sooner learned in Brazil on 28 November than President Itamar Franco was informed about it.

Another piece of good news was released this morning—in a move to show goodwill toward Brazil and paying heed to the Brazilian ambassador's request, Thai authorities arrested Paulo Cesar Farias on a very simple charge—his tourist visa, which had been issued for only a fortnight, already had expired.

A Foreign Service member, the Justice Ministry's legal adviser, and a Office of the Prosecutor General district attorney now will travel to Thailand. Despite the fact that there is no extradition treaty with this country, what Brazil will request of Thai authorities is that they put a tourist named Paulo Cesar Farias, whose visa has

expired, on a flight from Bangkok to Rio de Janeiro. This may happen on 2 December. [end recording]

Majority Believe Culprits in Scandal Should Resign

PY2911195593

[Editorial Report] Sao Paulo FOLHA DE SAO PAULO in Portuguese on 14 November carries on page 15, Section One, a 250-word article by Clovis Rossi on the results of a public opinion poll conducted by Datafolha among 2,500 people from 122 municipalities on 12 November.

The author notes that "the absolute majority of Brazilians, 53 percent, believe that those implicated in the budget scandal ought to resign their seats in Congress." Rossi adds that if "to this figure one were to add the 26 percent who are in favor of a temporary suspension of those implicated in the scandal, one would conclude that nearly eight out of 10" of those surveyed believe the suspects in the budget affair should be removed from office.

The article reports that Brazilians also were asked what they think about the results expected from the Congress Investigating Committee, CPI, investigating the Budget Committee scandal. Rossi states that the survey shows 57 percent believe the CPI "will merely put on a show and not come to any conclusion," whereas "only 33 percent" believe it "will get to the bottom" of the affair, and 11 percent gave "other answers" or said "they did not know."

The public opinion survey shows that there is not much interest in the CPI probe since "only one out of five voters (exactly 19 percent) considers that he/she is well informed about it. The relative majority," namely 44 percent of people, believe they are "more or less informed," while 32 percent answered that they were "badly informed, and 4 percent did not know what to answer."

Dos Santos Attempts Suicide After Wife's Body Found

PY2911134493 Brasilia Radio Nacional da Amazonia Network in Portuguese 0930 GMT 29 Nov 93

[Excerpts] Federal District police agents have found the remains of Ana Elizabeth Lofrano, the wife of Jose Carlos Alves dos Santos, a former adviser to the Senate, who was reported missing more than a year ago. The police located her body as a result of the confessions of two private detectives who were questioned by the police.

[Begin recording] [Walter Lima from Brasilia] To clear up the mystery surrounding the disappearance of Ana Elizabeth Lofrano Alves dos Santos, the police obtained orders for the preventive detention of the private detectives Lindauro Silva, 51, and his son Ilia Riberos Silva, 21. Emotionally shaken at finding themselves behind bars, the latter, in the presence of members of the special police precinct, coaxed his father into confessing the crime as he threatened to commit suicide if he refused to do so. Having talked about the ethics of private detectives and requesting guarantees for his life, Lindauro Silva confessed that the body of Ana Elizabeth Lofrano had been buried and denounced his accomplice, a mechanic called Valdes Jose de Souza, 32.

Criminal department experts found the body in an abandoned gravel bed near the border of the Federal District and Planatina, in Goias State. Lofrano was hit on the head with a pickax and was still alive when thrown into a pit that had been dug some four months previously. She was covered with earth and stones. Jose Carlos Alves dos Santos paid $100,000 to have his wife murdered. He witnessed the crime and even helped Silva and Valdes to dispose of the body. The latter and Ilia Riberos are currently in custody at the special police precinct. The remains of Ana Elizabeth Lofrano are currently being examined at the Legal Medical Institute. [end recording]

Upon learning that the remains of his wife had been found, Jose Carlos Alves dos Santos tried to take his life in his cell of the Federal Police precinct in Brasilia. He is presently in a hospital. [passage omitted]

[Begin recording] [Reporter Jose Carlos Silva] Before attempting suicide, Alves dos Santos wrote three letters in which he confirms the corruption scheme in the Budget Committee and mentions the names of another 16 congressmen implicated in this scheme. He stresses that Deputies Jose Carlos Vasconcellos and Sergio Guerra, who have already testified before the Congress Investigating Committee, are involved in this scheme. [passage omitted] [end recording]

Chile

Pinochet Denies Rumors of Gen. Ballerino's Resignation

PY2911195293 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 29 Nov 93

[Text] General Augusto Pinochet said the rumors that Major General Jorge Ballerino would resign because he was not promoted from his present position as Army inspector general are mere speculations:

[Begin recording] Gen. Ballerino is improving; he is much better. Gen. Ballerino has a position in accordance with his rank as major general. The position of 1st Corps commander occupied by Major General Guillermo Garin, the position of General Staff chief that soon will be occupied by Major General Rodrigo Sanchez, and the position of inspector general occupied by Major Gen. Ballerino have the same rank. The three positions have the same importance. The three are worth the same

amount of money. They are equal. Therefore, do not make an issue of it. The rest is pure speculation. [end recording]

Gen. Pinochet made these remarks after inaugurating the housing development complex Cordillera-2 in the La Reina neighborhood. These are public housing units rented to Army NCO's.

Police Place FMR Members in Court's Hands

PY2911202293 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 29 Nov 93

[Text] Investigative Police have placed two Manuel Rodriguez Front [FMR] members at the disposal of the courts. The individuals had planned diverse attacks against political and municipal buildings in the capital. One of the individuals arrested, (Gabriel Chauquepan Colin), is thought to be the FMR Southern Santiago regional chief. The other individual is Ernesto Jimenez Rojas, a leader of a FMR terrorist cell.

The two were arrested during raids by Investigative Police last week in the La Florida and San Bernardo neighborhoods. In the operation the police seized 50 ammonium gelignite cartridges, one M-16 rifle, revolvers, pistols, shotguns, elements for the manufacture of explosives, drawings, and documents.

Investigative Police Deputy Prefect Luis Caris, public relations chief, said police were able to establish that the criminals were conspiring to carry out a series of extremist attacks against political and municipal buildings in the capital during the days prior to the election. The deputy prefect also said the FMR members obtained arms and explosives through third parties. Police discovered, for instance, that the M-16 rifle was purchased from a Communist Party member and the weapon was part of the arsenal found in Carrizal Bajo.

Leftist Movement Registers as New Party

PY2911221793 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 29 Nov 93

[Text] The Leftist Democratic Participation Movement, PDI, officially registered as a political party today.

The brief ceremony at the Electoral Service was attended by the top PDI leaders. Also attending were Ricardo Lagos, Socialist Party leader Luis Maira, and Christian Democratic Party leader Mariana Aylwin.

Ricardo Lagos spoke on the occasion. He said he was not afraid of voters who cross party lines to vote for other parties' candidates, that is, voters who vote for Eduardo Frei for president, but for right-wing parties' legislators.

[Begin Lagos recording] I have seen consistency in voting trends. The consistent vote has been emphasized. The country perceives that a vote for Frei means a vote for the coalition. The country knows that many projects and bills presented by Patricio Aylwin could not be approved for lack of a majority in Congress. [end recording]

Poll Shows Frei Continues To Lead Presidential Race

PY2911195893 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1700 GMT 29 Nov 93

[Text] Only 12 days before election day, Senator Eduardo Frei continues as the favorite to win the presidential race in all public opinion polls.

The Time Survey conducted during the first two weeks of November and released today gives 58 percent of the votes to Eduardo Frei and 18.9 percent to Arturo Alessandri.

Time surveyed 2,300 individuals and included questions on coalitions and political parties. Extreme left parties have only a minimal support. In the study carried out in 29 urban centers, voters were asked if they thought a runoff election would be necessary, and if this were the case, who they would vote for. The result shows Sen. Frei would received 68 percent of the votes in a runoff election.

Colombia

Five Bombs Explode Today in Banks in Capital

PA2911194593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1737 GMT 29 Nov 93

[From the "National" newscast]

[Text] Five bombs went off this morning in different bank offices in the capital. The police reportedly defused a sixth bomb. Although there were no casualties, damage is considered to be in the millions [currency not specified]. At this hour, the Metropolitan Police are investigating the motives for the attacks and have beefed up security in bank branches in the city.

Government To Protect Escobar Family in Capital

PA2911192593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1732 GMT 29 Nov 93

[From the "National" newscast]

[Text] The government has just announced that it is willing to offer protection to Pablo Escobar's family members, who at this hour are on their way back to Colombia. The Escobars thus continue to run the country. [sentence as heard] The government is currently holding a special ministerial council to study ways of protecting the Escobars once they arrive in our country after having been expelled from Germany, where they were declared persona non grata. The government of that country did not even let them leave the airport. After 24 hours at Frankfurt airport, they were taken on board a Lufthansa flight that is scheduled to arrive in Santa Fe de

Bogota at about 1800 [2300 GMT]. By that time, the government is expected to have devised a security plan.

A special ministerial council is studying the measures the government will implement to protect the Escobar family upon their arrival tonight in Colombia. Government Minister Fabio Villegas Ramirez confirmed that information a short while ago to the National Newscast. He said the government will offer the Escobar Henao family protection in keeping with the Executive Branch's duty to protect them as it would any other citizen.

[Begin Villegas recording] Well, we are working on this matter. Obviously there are clear threats and risks against the Escobar family, and we will look into the possibility of offering state protection as we are obliged to do. I think that during the course of the day we will issue a resolution on the matter. [end recording]

Although the minister did not disclose many details of the security mechanisms, it is known that tonight a large security operation will be set up to expect the arrival of Maria Victoria Henao, Juan Pablo Escobar, his girlfriend Monica Ochoa, and his sister Manuela.

With this gesture the government is paving the way once again to open the door of dialogue to facilitate [three-second break in reception].

Meanwhile, the prosecutor general is holding to his decision not to protect the drug lord's family.

[Begin recording] [Unidentified reporter] Will the family be given protection once they arrive in Santa Fe de Bogota?

[Francisco Sintura, Prosecutor General's Office official] The prosecutor general has clearly said such protection ended when these people left Colombia. If they return, they will be returning on their own. [end recording]

Escobar's Family Arrives

PA3011020193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 30 Nov 93

[From the "24 Hours" newscast]

[Text] After making a stopover in Caracas, the Lufthansa flight bringing Pablo Escobar's family from Frankfurt arrived at Santa Fe de Bogota's El Dorado Airport at 1910. The family got off the airplane and right now is with the immigration authorities.

Pablo Escobar Criticizes Germany's Expulsion of Family

PA3011034593 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0230 GMT 30 Nov 93

[From the "CMI Television" newscast]

[Text] Drug trafficker Pablo Escobar got in touch with a Medellin station tonight. Here is a report by Lays Vargas in Medellin. Lays, a question for you: Where did he call and what did he say?

[Vargas] Pablo Escobar got in touch with a local radio newscast, "Antioquia Supernews" [Supernoticias de Antioquia], tonight. He said he strongly rejected what the German Government did today to his family. Thanks to "Antioquia Supernews," let us listen to Pablo Escobar:

[Begin Escobar recording, identified by caption] Rio Negro, Monday, 29 November 1993.

Mr. German Ambassador to Colombia

Mr. Ambassador:

With great surprise, I have received the news of the expulsion of my innocent family from Germany. But I am even more surprised by the treatment they were given when they were called mafia members and drug traffickers. This is absolutely repugnant in view of the fact they are innocent women and children.

I know the German people do not share such an attitude, just as in the past, the Chilean people, through radio polls, also did not agree with the Chilean Government's attitude. [end recording]

[Vargas] In the communication, Pablo Escobar warned that in Colombia there has never been discrimination against German citizens and that they have been welcomed and offered the hospitality characteristic of the Colombian people. For this reason, he said he does not understand the German Government's attitude, a country that after the war was always known for defending and respecting human rights. Although the communique does not have an expressly threatening tone, it does reflect Pablo Escobar's bitterness about what occurred to his family today.

Prosecutor General on Escobar Case, Drug Trafficking

PA2911142893 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 28 Nov 93

[Report by Carolina Sanchez for "NTC News" newscast]

[Text] Prosecutor General Gustavo de Greiff has had one of the most hectic weekends of his life. Prosecutor General De Greiff explained this morning that the departure of Pablo Escobar's family has nothing to do with Escobar's possible surrender to justice for a second time.

Gustavo de Greiff confirmed that no agent of the Prosecutor General's Office is involved in the security operations concerning Pablo Escobar's family. His office's responsibility in this regard ended when the Escobars boarded the Lufthansa airplane.

[Begin de Greiff recording] I repeat: No member of the Prosecutor General's Office is involved because we had no pledge to grant asylum for the family or to request asylum for the family in any country. However, we were prepared to help provided Mr. Escobar surrendered first. [end recording]

The prosecutor general added that he advocates the legalization of drug consumption and trafficking.

[Begin de Greiff recording] One thing that would cut back on the immense profits is regulated legalization. Likewise, I think a surrender and abidance with justice would curb drug trafficking. Naturally, this would cause a distortion in the market that we would have to study. [end recording]

From that viewpoint, the legalization of drug trafficking and consumption can be an important parallel strategy in the struggle against drug trafficking.

Roundup of Economic Developments Through 29 Nov

PA2911234793

[Editorial Report] The following is a compilation of reports on Colombian economic developments monitored through 29 November. Source is cited in parentheses following each item.

Santa Fe de Bogota, 24 Nov (AFP)—The National Administrative Department of Statistics (DANE) reports that sales at Colombian commercial establishments increased by 3.77 percent during the first eight months of 1993 in comparison to the same period in 1992. Colombians increased their purchases of furniture and household appliances by 15.12 percent; shoes and clothes by 8.4 percent; pottery, bazaar, and miscellaneous products by 6.66 percent; and food, beverages, and tobacco by 4.68 percent.

The DANE report also indicates a decrease in the sale of hardware, fuel and lubricants, medicine, vehicles, and replacement parts. Employment in the commercial sector also decreased by 1.22 percent during this period. (Paris AFP in Spanish 1008 GMT 24 Nov 93)

DANE reports that over the past eight months, exports increased by 2.5 percent, due primarily to the sale of nontraditional products, particularly pearls and precious stones. All in all Colombia exported $4.662 billion during this period, $144.5 million more than during the same period in 1992. Other nontraditional products that increased in sales were clothes, sugar, candy, and manufactured plastic goods, which increased between 16 and 30 percent. Cotton exports decreased considerably from $77.6 million last year to $36.7 million this year. Fish and shellfish sales dropped by 15.5 percent. Coffee exports have continued to decline; during the first eight months of 1993 they totalled $689 million, a decrease of 19.6 percent, due to the product's low prices on the international market and the saturation of the world market. The exportation of oil and oil by-products decreased by 6.6 percent to $937 million. Meanwhile, ferronickel and coal sales are beginning to recover, increasing by 2.6 and 5.6 percent, respectively. (Santa Fe de Bogota EL TIEMPO in Spanish 25 Nov 93)

Chilean and Colombian missions are finalizing the details of the free trade agreement they have been negotiating for the past two years, which will be signed in the Chilean capital during the first week of December. The treaty will eliminate bilateral trade tariffs as of 1 January 1999 through a partial tax reduction schedule. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 26 Nov 93)

The poverty level in Colombia remains above the average for Latin America. In its annual report, the Federation for Development pointed out that economic progress has not translated into a higher standard of living. On the contrary, the number of poor—established by their income level—has increased; they now constitute 47 percent of the population. The situation is even worse in the countryside, where 57 percent of the people live in poverty and 87 percent lack social security coverage. However, the number of unsatisfied basic needs dropped from 18 percent in 1986 to 10 percent in 1991. (Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 29 Nov 93)

* Editorial Views Debate Over Industrial Growth

94SM0097A Santa Fe de Bogota EL TIEMPO in Spanish 27 Oct 93 p 4A

[Editorial: "Controversies and Consensus"]

[Text] It has become commonplace in Colombia for the treasury ministers and the president of the ANDI [National Association of Industrialists] to disagree publicly from time to time about the short-term development of the economy and the industrial sector. As would be expected, the former generally maintain that industry is expanding satisfactorily, while the latter—remember our friend, Dr. Fabio Echeverri—assert that industrial growth has "slowed," or that industry is in "recession." Every once in a while, a third party, the FEDESARROLLO [Federation for Development], plunges into the controversy, most frequently supporting the positions of the ANDI.

It is not surprising, then, that at the meeting of the Valle section of the ANDI last week, Minister Hommes disagreed with the opinion expressed by Dr. Carlos Arturo Angel, the president of the association, who said that "this year, the industrial sector will see no growth, and will continue at the zero mark." The public, however, and businessmen in particular, need at least a minimal understanding of what is really happening. For this reason, it is fortunate that a day after the now-familiar debate was reported, the DANE [National Administrative Department of Statistics] made public some interesting figures provided by the economic section of this newspaper. They indicated that if coffee processing—an

activity that has obviously declined as a result of the harsh blow suffered by the coffee crop—is excluded, the industrial sector has indeed experienced growth, with expansion of 5.65 percent reported for the first seven months of the year, as compared to the first seven months of 1992. Yet another source, in this instance the economic opinion survey carried out by EL TIEMPO (EOE), provided qualitative confirmation of the DANE's statistical data, while noting that "the majority of the businessmen consulted said that their industries' activity during the third quarter of the year was satisfactory."

The controversy about whether or not the economy or the industrial sector is experiencing growth is not the most important one. It is obvious, and any citizen can see this, that the economy as a whole is "doing well," and that for some reason, development is better than had been expected. The problem, or more accurately, the heart of the debate, has to do with whether the growth is balanced or homogeneous, or, on the contrary, varies somewhat from one branch of production to another. And it could not be otherwise, because there are factors such as the economic liberalization, the economic policy, and the recession in the industrialized countries that affect the various sectors and the various industries in dissimilar fashion.

The fact is that both agriculture and industry in Colombia have embarked upon the complex process of adapting to an economy that will be increasingly open in the future and, because of the strength of its foreign sector, resulting from the discoveries of oil, must become more competitive on the basis of increased productivity. This is because it is not very realistic to hope that in the future, devaluation of the rate of exchange will provide an incentive for exports and production for the domestic market as well. Some sectors, therefore, will benefit from the new policies, while others will clearly see their competitive position disadvantaged. This is precisely what is happening. There is expansion in production as a whole, but some categories are facing difficulties, which can indeed be overcome on the basis of specialization and reconversion. These categories include textiles and others that are very vulnerable to foreign competition; this includes in the agricultural sector (such as grain and oleaginous crop production), which will, unfortunately, tend to disappear.

Despite the now traditional controversy between the Ministry of Finance and the ANDI, it is interesting to note that a consensus has developed among the independent economists, who agree that the rate of economic growth this year will be about 4 percent, and for next year it will be about 5 percent. Although the farm unions say the contrary, the truth is that a slight recovery can be seen in agricultural production. And it is also clear that some industrial subsectors are showing excellent development—for example, those dependent on the construction industry and the dynamism in mining, trade, and services. This has compensated for the difficulties encountered in the activities affected by the economic liberalization and the international recession. On the other hand, the development in demand is obvious, as was summarized a few days ago in the macroeconomic updating program of LA NOTA ECONOMICA. The notable increase in private investment, increased public spending, the greater expenditures by households, and the improvement in exports—all of these factors are promoting the growth of the economy this year.

Thus the recovery is not an artificial one. In the coming months, production will continue to develop well. For this reason, it would be better to look to the future with a view to development in the medium and long term, so that the industrial enterprises can adapt to the conditions that will characterize the second half of the decade, when the country enters into the "Cusiana era" and the Colombian economy moves into a new phase of its development.

* FENALCO Views Counterinsurgency War, 'Apertura'

94SM0096A Santa Fe de Bogota EL TIEMPO in Spanish 28 Oct 93 p 3B

[Article by Marcela Escobar Ramirez]

[Text] Pereira—At the opening session of the 48th National FENALCO [National Federation of Businessmen] Congress, the members challenged the Armed Forces sharply about the limited results achieved in the actions they have undertaken against the insurgents.

The president of the FENALCO, Sabas Pretelt de la Vega, stated emphatically that success in the struggle against the guerrilla forces does not depend on whether the actions of the Army have been heroic or not, whether or not the enemy has had only half as many casualties as the Armed Forces, or whether the soldiers have won some battles. "The question is whether or not 30 years of struggle is enough to defeat the insurgents, and whether or not it will take 30 more years, instead of the 18 months the Ministry of Defense has mentioned, to bring peace to the country."

This business association leader recalled that the government authorized an "enormous" budget increase for the improvement of the defense capabilities of the Armed Forces, but that the results of the military actions have not been satisfactory.

He questioned the role being played by the middle- and upper-level commanders in the military hierarchy, warning that they are ignoring the clamor of the public against what is perceived as "negligence in the use of military strategy."

Raising the issue of why Father Perez y Tirofijo is still at large, the speaker noted the possibility that there may have been other infiltrations like that in the prosecutor's office. And he asked whether the reasons might lie in the fact that the subversive counterintelligence is better than that of the Army.

This association leader noted that determined Army action against the sites where the guerrilla command forces and the general secretariats are concentrated has been lacking. He said that the government should strike at these bastions with all of the power of the state, and should even ask for foreign tactical advice on how to combat terrorism and the insurgent movement.

Pretelt stated that the fact that the results achieved against the guerrilla forces have been so limited is due, among other things, to the lack of a firm and consistent criterion when it comes to implementing the law.

He expressed opposition to the suggestion that regional dialogues be initiated, since it is his belief that they only serve as a pretext for intensification of the war.

Pretelt said that the time has come to change the war strategy, because it is in a way legitimizing the guerrilla attacks. And he stressed that the prosecutors and the judges should work together in order to implement the arrest warrants issued, using procedures such as sentencing in absentia.

Following his detailed analysis of the policy pursued against the subversive movement, he left unanswered the question as to whether or not the Army can cope with the insurgent movement in this country.

As has been traditional, the FENALCO indicated that it advocates continuing with the process of economic liberalization, and it warned the government against yielding to the temptation to raise the highest customs rates or to impose measures limiting the freedom to import.

According to the FENALCO, it is necessary to enter into the post-economic liberalization stage without allowing imports, if the neighboring countries pursue this policy.

This organization urged the government to move ahead with the privatization process and to perfect the articles in the Constitution that might constitute a threat to ownership rights.

The FENALCO wants to see the continued modernization of the state, provisions for greater freedom in the foreign-exchange sector, and the elimination of the system of adjustments for inflation included on the agenda to be pursued.

Pretelt said that the time has come for the businessmen to have their own banks. To this end, he appealed for the democratization of ownership of the State Bank with a view to satisfying this longstanding desire of his sector.

Ecuador

Roundup of Economic Developments 29 November

PA2911224593

[Editorial Report] The following is a compilation of reports on Ecuadoran economic developments monitored through 29 November. Source is cited in parentheses following each item.

World cocoa bean producers on 25 November failed to reach an accord on production to improve cocoa bean prices. Silas Kamga, secretary general of the Alliance of Cocoa Bean Producer Countries, Copal, said the Brazilian proposal to cut down cocoa bean production did not receive enough support. The Copal assembly rejected the European project to replace cocoa fat with vegetable fat in chocolate manufacturing, because it would be a protectionist measure that would damage the economies of cocoa bean-producing countries. Copal members also agreed to invite Venezuela, Colombia, and Indonesia to join the group. (Hamburg DPA in Spanish 1755 GMT 25 Nov)

Paraguay

Commentator Views Aims of U.S. Ambassador

PY2911185393 Asuncion NOTICIAS in Spanish 28 Nov 93 p 13

[Commentary from the "Without Going Further" column by Cristian Nielsen: "The Lone Ranger Strikes Again"]

[Text] The Lone Ranger has done his job again. At the very start of his mission as the U.S. ambassador, he delivered a well-recalled speech against drug trafficking and corruption in the town of Pedro Juan Caballero. It caused no surprises then, and the foreign minister did not call him to request an explanation. I thought then that the Lone Ranger sought to put the government's finger on the handle, urging it to flush away all the filth by simply pushing the lever.

What he did then with Rodriguez, he is repeating today with Wasmosy. The Lone Ranger is again on his horse, armed with his Colt Frontier, pursuing the same issue. When he states that the underworld has infiltrated top government levels he is not doing so just in the line of duty, seeking to be awarded the worn-out cliche "Yankee Go Home" [preceding phrase in English] or to read the predictable communiques that criticize him. It is obvious that he knows what he is talking about. No U.S. ambassador is stupid enough to allow personal attitudes and judgments to compromise the position of the State Department, let alone that of his government. Perhaps [Former President Andres] Rodriguez could not, did not want to, or did not know how to push the button. It is obvious that the Lone Ranger is urging Wasmosy not to commit the same error.

At this point, the Lone Ranger must have undoubtedly noticed that the current tenants at the Lopez Palace are suffering from acute ethical short-sightedness. It is very difficult for them to see the difference between good and evil. Andres Rodriguez was unable to see the problem of the clandestine strips that are used for both landings and take-offs. "The final destination of this merchandise is not our problem," the new life-senator said at one point, adding that if taxes were paid here, the rest did not matter. Today Wasmosy is facing the same problem with "in transit" cigarettes. This bureaucratic stupidity, endorsed with the royal seal, guarantees Paraguayan and Brazilian manufactures that their respective markets can be flooded with cheap products. Thanks to this little gem within the Paraguayan tax system, Brazilian tobacco producers can become their own competitors which, in turn, embitters the lives of Paraguayan manufacturers. But Wasmosy does not know, does not see, and overlooks the fact that the wealthy people on the border continue to amass great fortunes. Why?

The fact that Ciudad del Este alone moves some $1.5 billion yearly explains why the Lone Ranger went to talk about dollar laundering on the border with Brazil. We should also focus our attention on another area where some 30 banks, a similar number of financial institutions, several savings and loan institutions overseen by the superintendency of the Central Bank, personal unsecured loans, quick money shops, pawn shops, [car and money lending] circles, and hundreds of other forms of depositing money flourish like rats. Where does all that money come from? How are their activities controlled? Where and how are their dividends spent?

If the Lone Ranger attended an official ceremony without having been invited and said afterwards that the underworld is protected by the top government levels, it is obvious that the Lone Ranger is willing to encourage something. The Lone Ranger does not want to "rule" in this country. What he surely seeks is to cut the tentacles of drug trafficking and dollar laundering which are turning this country—if they have not yet definitely done so—into a paradise for pirates.

Bolivian Foreign Minister Arrives for Visit

PY3011005493 Asuncion ABC COLOR in Spanish 28 Nov 93 p 16

[Text] Bolivian Foreign Minister Antonio Aranibar Quiroga told this newspaper on 27 November that the Bolivian Government shares the Paraguayan Government's concern over the Pilcomayo River problem. He hopes that "agreements and an understanding guaranteeing the use of the Pilcomayo River for the benefit of the three countries" will be reached jointly with Argentina. Minister Aranibar Quiroga, who arrived on 27 November, will be received by President Juan Carlos Wasmosy in Government House on 29 November.

Aranibar Quiroga arrived early on 27 November to attend a seminar on governability agreements in the Americas at which he will deliver a speech. His visit is also an answer to an invitation made by Paraguayan Foreign Minister Diogenes Martinez. During the conversation, Aranibar was reminded that when President Wasmosy was in Santa Cruz on 23 and 24 September, he signed a joint declaration with Bolivian President Gonzalez Sanchez de Lozada defining the Pilcomayo River area as a high-risk environmental area. In this regard, Aranibar said: "It is known that this interest is not only shared by our two countries, Paraguay and Bolivia, but also by Argentina," a country with which agreements should be sought for the river's joint use.

When he was informed about the Paraguayan Government's concern over the problems created by the Pilcomayo River's deviation made by Argentina, Aranibar Quiroga said: "It is the Bolivian Government's desire to share the Paraguayan Government's concern and to seek joint measures as much as possible."

Aranibar Quiroga said this problem is worrisome and his government is evaluating the environmental damage. He added: "Although we do not have a final conclusion, it is obvious there is concern in my country and especially in the areas directly affected."

He said that immediately after his visit there will be a meeting of the Paraguayan-Bolivian Joint Commission in Asuncion from 1-3 December. The meeting will serve to study the points contained in the Santa Cruz presidential declaration. He added: "A review of the progress made on this matter will be made."

Aranibar said: "One of the great issues of mutual interest is the one related to the protection and development of the Chaco region ecosystem that unites the two countries, and where there is also a mutual interest in keeping control over the region and having a reservation for environmental protection in the entire region."

Regarding bilateral relations, Aranibar said: "We are in a new era." He admitted that issues like the Transchaco road, the gas pipeline, trade, etc. were always in the plans of Paraguay and Bolivia, but also that no progress was ever made. He said these projects should be implemented in order to fulfill the desires of Presidents Wasmosy and Sanchez de Lozada. He added: "The two presidents showed a great historic vision and share a desire to carry out practical projects."

In addition to the meeting, he will hold with his Paraguayan counterpart, Aranibar Quiroga will meet President Wasmosy in Government House on 29 November. He then will meet the presidents of the Chamber of Deputies and the Senate. He also will visit the Bolivian free port in Villeta.

Aranibar Quiroga added that Bolivian President Sanchez de Losada will visit Asuncion in the first quarter of next year. "The exact date has not been set yet," said Aranibar, who will be in the country until 30 November.

Defense Vice Minister Knows Identity of Money Launderers

PY2911201593 Asuncion NOTICIAS in Spanish 28 Nov 93 p 9

[Text] The defense vice minister, General Marcial Samaniego, knows perfectly well who launders dollars in our country, but, in light of the clandestine nature of these operations, does not have enough evidence to indict the culprits.

He said for the record that there are certain "fronts" for money-laundering activities. "There are, for example, discotheques that are making a lot of money, but one goes to those places to inspect the premises and realizes that they do not have sufficient infrastructure to generate those returns. But if one happens to go to the Finance Ministry, one will see that they totally abide by the law," he said.

The Frightful Yamil

Gen. Samaniego went on to discuss the transactions made by the notorious Fadh Yamil, a leading trafficker in Pedro Juan Caballero allegedly responsible for the murder of [reporter] Santiago Leguizamon. "He called a news conference and was cleared of all charges because there was no proof against him."

"We have, nonetheless, taken people into custody and even though we had the evidence to support our claim, they were released," he said.

Vice President Acknowledges Dollars Laundered in Nation

PY2911193393 Asuncion ABC COLOR in Spanish 29 Nov 93 p 7

[Text] Vice President Angel Roberto Seifart on 28 November asserted that he knew for a fact that dollars are being laundered in Paraguay. "We are perfectly aware that it is done," he stated. This avowal coincided with the concern voiced by PLRA [Authentic Radical Liberal Party] leader Domingo Laino, who pointed out that today he will propose that the multiparty board make an in-depth study of changes at Senad [National Antinarcotics Secretariat] to clear up the doubts citizens have about this issue.

The laundering of dollars in Paraguay became citizens' main issue of discussion after the vehement accusation made by U.S. Ambassador to Paraguay Jon Glassman, who having stated that "the country's underworld is being protected by high circles," voiced his disagreement with the changes within the Armed Forces.

But far from being taken into account, Glassman's remarks sparked a quick response by President Juan Carlos Wasmosy, who pointed out that "Wasmosy, rather than Glassman" is in the driver's seat in Paraguay. A considerable number of Colorado Party congressmen for their part deemed that the U.S. diplomat's remarks constituted interference in the country's internal affairs. What is more, they have proposed a declaration in the Chamber of Deputies against any intervention by foreign ambassadors.

Notwithstanding this, Seifart on 28 November publicly acknowledged that "dirty business" is to be found in Paraguay. "Well, we know that it is being made, so what is necessary now is to establish the mechanisms to curb the laundering of dollars and, as far as possible, eliminate it," he stressed.

Seifart believes that a way must be found to combat this scourge and to expose those responsible for it, who operate nationwide with total impunity. "We are perfectly aware that (the laundering of dollars) occurs in our country. Now, the question is to determine, how, where, and who is responsible for this," he pointed out.

Seifart's stance was learned during a seminar on governability, at which he will deliver a speech today on the same subject. His interest might put Laino's wish in motion, as he stated on 28 November that he will propose that the multiparty board study the changes at Senad. This multiparty board comprises representatives from the PLRA, ANR [National Republican Association—Colorado Party], PDC [Christian Democratic Party], and PRF [Febrerista Revolutionary Party].

More Comments on Money Laundering

PY2911201993 Asuncion RPC Television Network in Spanish 1500 GMT 29 Nov 93

[Text] Vice President Angel Roberto Seifart today ratified his remarks regarding the laundering of dollars in our country, and he also clarified that it is not known yet who is responsible and the procedure that is used.

[Begin recording] [Seifart] We know that there is drug trafficking, that narcodollars are laundered, but up to now the investigation has not led to any hard evidence that could define the procedure that is used or to those who may be responsible, the main perpetrators of this crime.

[Unidentified reporter] Sir, is it not very worrisome when the involvement of high-level authorities or those who belong to that clique are mentioned, something that has caused some changes and raised the ire of U.S. Ambassador Jon Glassman?

[Seifart] I can assure you that among high-level authorities—because who are the high level authorities? The president, the vice president, the cabinet, the ministers—I can assure you that in no way, and I will put my hand in the fire, are there any coverups among high-level authorities.

[Reporter] Are you in a position to put your hand in the fire for high-ranking Armed Forces members?

[Seifart, hesitating before answering] I believe I can. I believe I can. In any case, I believe that those who are

covering up are to be found in the lower hierarchy, those who control the borders, low-level officials. But I do not believe that there can be such foolish people among high-level authorities, whether civilian or military, who would cover up this type of trafficking.

[Reporter] Why is it that the government does not ask [Chamber of Deputies President Jose] de Vargas and Glassman for details of those who are doing the protecting at high levels, and who are the military and people with ministerial rank who are doing the covering up?

[Seifart] That is exactly what I asked for the other day. I requested precise information, names, and concrete facts, but it is evident that the investigation in this respect has not yet been successful, and that is why nothing is known yet. I believe that once names and those who are responsible and the procedure that is used are made known it will be impossible to keep the secret. [end recording]

Peru

APRA's Cabanillas Proposes Party's 'Reconversion'

PY2911213493 Lima EXPRESO in Spanish 15 Nov 93 p A7

[Excerpts] Former APRA [American Popular Revolutionary Alliance] Secretary General Mercedes Cabanillas said her party needs a "reconversion" in order to open new channels of participation and prevent the decay of its political program.

Cabanillas said she agreed with the need to maintain and improve the primary election system for the nomination of the APRA's 1995 presidential candidate.

Cabanillas said it is necessary that democratic institutions and political parties get closer to the people, and that political parties must incorporate mechanisms to ensure people's representation and easier access to information on people's needs.

Cabanillas said that in the case of the APRA party this "reconversion" must mean better organization and a more flexible composition. [passage omitted]

The former secretary general talked with EXPRESO but refused to comments on a communique attributed to the APRA youth movement characterizing the present leadership of former President Alan Garcia's party as "mediocre and incapable."

According to the communique, "the party must change its course, because if we continue as we are now the future of our great movement will only lead us to extinction."

The APRA party did not make any official comment on the communique until the closing of this edition. A source close to the APRA leadership said, however, that the party could not give an answer to an anonymous note.

The same sources said that on 16 November the APRA party Executive Committee will hold a special meeting to receive a written report from the committee on the "no" vote and analyze the referendum results in depth.

Roundup of Economic Developments Through 29 Nov

PA2911225693

[Editorial Report] The following is a compilation of reports on Peruvian economic developments monitored through 29 November 93. Source is cited in parentheses following each item.

State-owned MineroPeru announced on 9 November that the Cerro Verde copper mine will be auctioned off on 10 November. The mine is located in Arequipa Department in southern Peru. According to the report, the base price is $30 million plus $160 million in commitments for investments over a five-year period. (Paris AFP in Spanish 1648 GMT 9 Nov 93)

The National Superintendency of Tax Administration, Sunat, on 24 November rejected an IMF proposal calling for an increase of 18 to 20 percent in the General Sales Tax (IGV). Sunat's rejection joins that of leaders of the country's most important business groups and of Peruvian economists who agreed on noting that such adjustments would be inflationary and would promote tax evasion. (Madrid EFE in Spanish 2126 GMT 24 Nov 93)

The Peruvian Government has already sold 20 public enterprises for more than $520 million and announced the privatization of another 46 for the first half of 1994 through the use of foreign debt documents [papeles de deuda externa], according to a law issued in Lima on Thursday. Energy and Mines Minister Daniel Hokama, who heads the Commission for the Promotion of Private Investment, said that "whoever offers more debt documents will win in each sale." Hokama estimated that private banks own at least $6 billion of Peru's $25 billion debt. In statements to the local media, he said that the procedure to assess, classify, and establish the status of document holders will be regulated. Peru's economic authorities estimated that approximately $10 billion can be negotiated with debt documents. (Paris AFP in Spanish 1745 GMT 25 Nov 93)

Venezuela

Roundup of Economic Developments Through 29 Nov

PA3011004293

[Editorial Report] The following is a compilation of reports on Venezuelan economic developments monitored by Panama Bureau through 29 November. Source is cited in parentheses following each item.

Caracas, 24 Nov (NOTIMEX)—Financial sources have reported the demand for dollars in Venezuela has increased to $80 million per day during the last two weeks, given the year end festivities and the uncertainty that prevails concerning the presidential elections. Central Bank analysts report the bank has to meet daily demands of between $40 million and $45 million to control the bolivar's exchange rate. The currency has suffered a 30 percent devaluation this year—from 81.45 bolivares on 1 January to 102.70 in November. The demand for dollars has resulted in a lack of liquidity which negatively affects the national financial system. (Mexico City NOTIMEX in Spanish 1936 GMT 24 Nov 93)

A special Council of Ministers session on 26 November approved a business assets tax that will make the Venezuelan tax system more equitable. This was reported by Finance Minister Carlos Rafael Silva, who said the tariff is very low and primarily intends to establish better fiscal controls. (Caracas Venezolana de Television Network in Spanish 2350 GMT 26 Nov 93)

The Venezuelan State lost 180 billion bolivares following the liquidation of the Agriculture-Livestock Development Bank and the Venezuelan Development Bank; and it managed to recover only 2.4 billion bolivares from the operations carried out by the Deposit Guarantee Fund. (Caracas Venezolana de Television Network in Spanish 2350 GMT 26 Nov 93)

The Central Statistics and Data Processing Office, OCEI, has reported an accumulated inflation of 37.3 percent in the consumer price index at the national level. The health sector, which includes the cost of medicine, medical services, hospital care, therapeutic equipment, and insurance represented the highest variation: 51 percent—13.7 points above the general index. The cost of food, beverages, clothing, and footwear showed a smaller variation. The report indicates Caracas had the highest accumulated inflation in the consumer prices index. (Caracas Venezolana de Television Network in Spanish 1550 GMT 26 Nov 93)

Lagoven, a subsidiary of Venezuelan Petroleum, Petroven, recently began operations at its Acogas plant in Monagas State. The plant has a daily production capacity of 250 million cubic feet of gas. This will increase condensed (extra light petroleum) production by 6,000-7,000 barrels per day and, in turn, bring higher revenues for the state. (Caracas EL NACIONAL in Spanish 26 Nov 93 p E-2)